

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Memorandum for the record; RE: Package (3 pages)	10/11/1995	P5 2536

### COLLECTION:

Clinton Presidential Records  
WHORM Subject File-General  
FE010  
OA/Box Number: 21814

### FOLDER TITLE:

134405

CLINTON LIBRARY PHOTOCOPY

Debbie Bush  
2006-0320-F  
db678

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

#### Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

134405

FED10

October 11, 1995

MEMORANDUM FOR THE RECORD

RE: PACKAGE TO BE MAILED TO GENE LYONS



Marvin Krislov gave me approval to have the Post Office mail to Gene Lyons a box of copies of documents relating to the Whitewater Investigation. the material was being sent by Christopher Lehine of the Counsel's Office.

Lue Culbreath of the Post Office unit made a copy of the Lehine note to Lyons and sent along a post-It to me saying that she was mailing the material.

10-10-95  
TERRY,  
(PER MY CONVERSATION  
WITH YOU ON ABOVE DATE  
ABOUT BOX TO BE MAILED.

To:  
MR. GENE LYONS  
204 CRYSTAL COURT  
LITTLE ROCK, ARZ

72205  
Room 55  
Lue Culbreath

THE WHITE HOUSE

Gene -

I hope all is well - please give my  
best to Corlin! Enclosed, please find  
the following:

- Relevant articles
- RTC Report
- Pres. & 1st Lady Interviews
- Finkle report
- L.A. Times v. W. Post
- Senate & House Transcripts



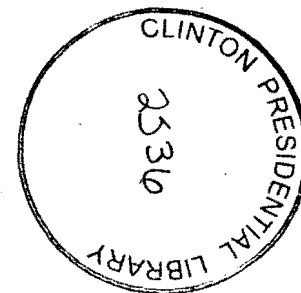
If you need anything else, don't hesitate  
to contact me at 202 456-5103.

Best Regards

Christyler

Lehne.

P.S. Here a Guinness for me in Little Rock!



# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	
001. memo	Todd Stern and Phil Caplan to The President; RE: Recent Information Items [partial] (2 pages)	07/22/1995	P5	2537

### COLLECTION:

Clinton Presidential Records  
WHORM-Subject File-General  
FG001  
OA/Box Number: 21832

### FOLDER TITLE:

124840SS

Debbie Bush  
2006-0320-F  
db2008

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

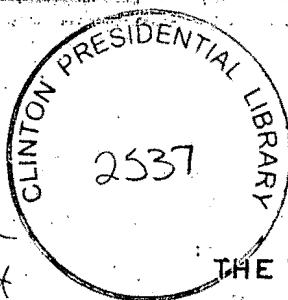
RR. Document will be reviewed upon request.

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COPY

7/25  
All has been  
logged out



THE PRESIDENT HAS SEEN  
7 24 95

THE WHITE HOUSE  
WASHINGTON

July 22, 1995

MEMORANDUM FOR THE PRESIDENT

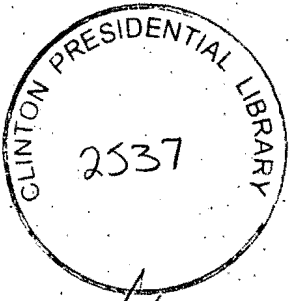
FROM: TODD STERN <sup>TOS</sup>  
PHIL CAPLAN

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

- (A) Stern/Caplan memo summarizing various information items.
- (B) Affirmative Action press and outreach plan, plus clips. Memo from George, Alexis and Julia Moffett on the pre- and post- speech press and outreach efforts. Selected editorials responding to your speech -- most quite favorable, a few critical.
- (C) Lake memo on assistance to Rapid Reaction Force. A few weeks ago, you authorized congressional consultations on the exercise of your Sec. 614 waiver authority to permit the provision of equipment to countries participating in the Rapid Reaction Force in Bosnia. Those consultations disclosed such strong opposition that Tony now counsels against invoking Sec. 614. He says that the transfer of equipment can be structured in legal terms as support to the U.N., with the U.S. in fact transferring the equipment directly to the allies on behalf of the U.N.
- (D) Lake note on USA TODAY BRAC article. Some of the numbers on job loss in the July 7 were mistaken. For example, Utah would *gain* 12,406 jobs, rather than losing that amount. (Many of these gains would come from McClellan.) Similarly, Oklahoma and South Carolina would gain the number of jobs indicated (7,472 and 5008, respectively), not lose them.
- (E) Lake memo comparing 1990 and 1995 Haitian elections. Tony disagrees with Rep. Goss's claim that the 1990 elections worked better than 1995's. The 1995 elections covered 2,000 offices, compared to 676 in 1990, so they were more challenging logistically and politically. There were fewer incidents of election-related violence than in any other Haitian election. Both elections were marred by serious administrative and logistical problems.
- (F) Lake memo on letter from BRAC Chairman Dixon. Dixon thanks you for accepting the BRAC report, but defends the report by noting that this BRAC accepted 84% of DOD's recommendation compared to 85% and 83% in previous two rounds. Tony notes that Dixon ignores the fact that the deviations in this round involved much larger bases and much larger job losses. Dixon also says that while

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THE PRESIDENT HAS SEEN

7-24-95

was considered, the BRAC gave greater priority to military factors. Tony notes that DOD's prime argument for retaining McClellan and Kelly was a military factor -- Air Force readiness. Tony does not believe a reply to Dixon's letter is necessary.

(G)

**Lake memo on spent nuclear fuel.** In response to your question. Nine ports besides Portland, Oregon are under consideration as possible entry points for spent nuclear fuel from foreign reactors: Tacoma, WA; Concord Naval Weapons Station, Oakland, CA; Galveston, TX; Hampton Road, VA; Wilmington, NC; Military Ocean Terminal, Sunny Point, NC; Mount Pleasant, SC (near Charleston); Savannah, GA; and Jacksonville, FL. DOE is consulting with DOD to determine whether military ports are better options, but will not announce at this time that any of the initial group of ten ports are being dropped, since that would invite criticism from the ports kept on the list. This review will be complete in several months.

(H)

**Tyson note on Reich "runaway plant" memo.** Laura attaches a memo from Bob Reich on the problem of states using federal funds to lure plants from other states. She agrees with Bob (i) that such activity is a waste that adds nothing to the national economy and (ii) that any corrective action should be executive rather than legislative, but she recommends postponing any effort in this regard so that the NEC can continue to give the sustained attention needed to the budget fight.

(I)

**Rahm memo updating you about his activities on welfare, drugs, immigration, Waco, crime.**

(J)

**Transcript of "Charlie Rose" interview with Jay Carney of Time and Mike Isikoff of Newsweek on Whitewater.** Forwarded by Harold. Note that Carney gives credit to the White House for stealing D'Amato's thunder by giving reporters access to documents so that D'Amato couldn't make any new revelations.

(K)

**Bowles note on CRA.** Response to your question on Patricof's letter. Erskine says that, although the banking community does not like CRA (and doesn't like regulations generally), small business loans in the \$25,000 - \$50,000 range would decline sharply if CRA did not exist, since there is little financial incentive to make microloans.

(L)

**Gibbons note on discovery of new form of matter plus editorial on "The Politics of Science.** Jack points out that the recent discovery of an entirely new form of matter -- which he calls one of the most significant scientific breakthroughs of this century -- was done at a small lab of NIST, while at the same time, NIST and Commerce remain a target for elimination by some on the Hill. Jack also thanks you for meeting with PCAST recently.

(M)

**Gibbons memo re: 50th anniversary of Trinity nuclear test.** Jack forwards the keynote address he delivered at the National Academy of Science's symposium on the anniversary of the Trinity test.

(N)

**Assorted clips.** First one forwarded by Pat, at Rep. Pete Peterson's request. Others from by Sosnik.

COPY

# Withdrawal/Redaction Sheet

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001. paper	Attorney Client Information (10 pages)	n.d.	P5 2538

### COLLECTION:

Clinton Presidential Records  
WHORM-Subject File-General  
FG037  
OA/Box Number: 21893

### FOLDER TITLE:

235938

Debbie Bush  
2006-0320-F  
db2009

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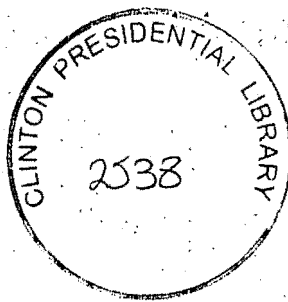
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Kendall  
Engstrom  
Nussbaum  
Lindsey  
Lyon  
Eggleston  
Kennedy



235938

FG037

1. Gather the facts
2. Try to find out what's going on in Investigation
3. Respond to requests that are made
4. Strategy for dealing with the media  
    -One person

Came up in the campaign

'89 Indicted in Arkansas--McDougal

'92 Campaign--Issue up that were 50% owners w/ McDougal  
'78-WWDC

Position: - Clintons had lost \$ in WWDC  
    Unable to substantiate this in detail  
    \$68,000 at least  
    -McDougal's \$92,000 lost-maybe

HRC representation of Madison - Not much activity representing  
people before agencies  
2 RLF letters Beverly Bassett

1. Madison
2. PP of pfd stock

Beverly Bassett - Responded w/ auth to do both  
    Recently appointed BB as Sec Cer

    Brother early and strong supporter  
    Too much coziness

RLF - answered questions  
    Did reconstruction

Report: Clinton had taken the deductions that WWDC had not  
    taken  
    Tax advantage of \$2500  
    Not repay government yet-promise

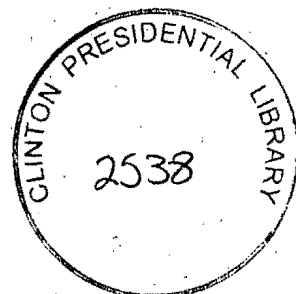
II July 20th: FBI issued subpoena & took records of  
    municipal judge named Hale

    Also the day that VF killed himself  
    Factor

From \_\_\_\_\_  
GEORGE  
STEPHANPOULOS  
WW OFFICE

COPY





Asked for records of Capital Services Management--SBIC

David Hale - indicted

Inflate NW-qualify for additional loan authority-  
borrowed securities and then returned

David Hale: proffer--false statement filed 88/89  
Two instances

'85/'86: urging of politicians made loans not  
repaid -- needed additional loan authority

Clinton: encouraged loan to McDougal and JGT wife  
CSM made loans to JGT

Tried to sell to USA-  
Then to Gerth of NYT - Denied conversation-Loan  
Editors

DH - non-LR story

McDougal also denied

III. RTC referral w/r/t McDougal

Included a reference to 4 campaign checks  
4/85 BC personally

Campaign Committee

3 checks written on Madison--all \$3,000

4th check on McDougal personally--signed by Susan  
McDougal

Les Patten:

David Hale

Tunnel at Capitol--Clinton says MCD will call you-DH-hope  
you'll help em

145 Street Trailer - Jogging Shorts

Shopping Malls - Clinton says do you know what bitch Susan  
did with money-sed

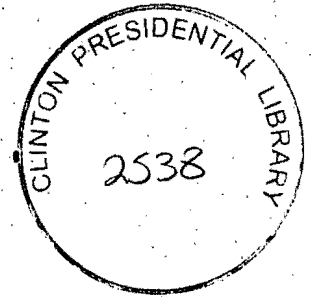
Clinton denies any of 3 occurrences

MCD denies

now lunch in restaurant

COPY





Jeff Gerth

"Hale did affidavit - NYT backed away"

---

Steve Smith filed for BR

Bought Bank of Kingston with McDougal

McDougal in business with JGT - Madison  
JWF

---

McDougal: "Powers of Atty" Not get info needed  
Get more involved--wind down  
Only lines of communication through Sam Huer

Arrange for 50% interest

Jim Blair

---

June - LR Acct

Tax returns had not been filed

VF agreed have Docs prepared and delivered to McDougal

Turn over Corp Records

June, 1993 - VF tax returns

Sent Directly from Acct to McDougal  
Assume have been filed

90/91 Brown, Rogers & Co

Yoly Redden

Clintons Acct

3/4 Times

Huer

Blair Contact

Huer

2/3, 1992

Have 1

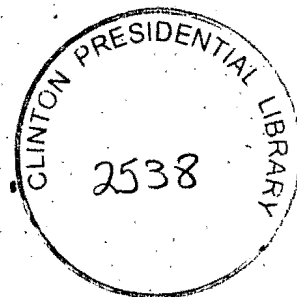
Involved w/ VF

Try to arrange sale

Blair could have knowledge  
Could be source of money  
to allow McD to purchase stock

COPY





Nominal & respectable + Out of the Air

- Jim Hamilton
- Webb Hubbell
- Blair, Jim
- Loretta Lynch - Helped Reconstruct
- Susan Thomases
- Charles James
- Jim Lyon has workpapers
- Betsy Wright/Hubbell Docs
- Return Docs to Dave Kendall

Corporate Records - Not to McDougal bec BW

HRC/RLF: - Loretta organized Charles James  
Acct for WW

Public Docs: Recorded

Loan Docs:

-Knowledge of referral - Gerth & Isikoff: Referrals include campaign checks

- Pull deposit slip that had with it copies of checks - do know who persons are who listed contributions

-David Hale + RTC - never got press good answers

WP - campaign checks  
WW

David Hale did make a \$300,000 loan to Susan McD.  
Jim McD says purchase land in Pulaski Co from IP  
purchased in name of WW in 10/86

Two months later - WWDC to Great So Land Development Company

"In WW because" Sam Huer - mistake

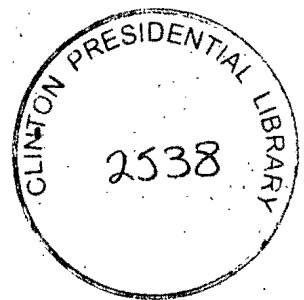
MCD: told one press person that were losses in WW -  
hoping that gain would be offset

"Clintons sigh over" SM raised with HRC  
rejected it - xfer to So Land Dev Co

Did not xfer the mtge

COPY





Ip sued WW because on the mtge  
\$230,000 deficiency

Post:

88 - wrap up WWDC by end of the year  
McDougal - sold all the lots

5/85 Ozark Air xaction

24 Lots - \$35,000  
1979 Piper Seminole

Plane sold - Madison Guaranty for \$25,000

McDougal took \$25,000 as a Commission

Plane sold to Seth Ward - WH father in law  
and then to Central Flying Service

+Trace through FAA in Oklahoma City - whose on  
the airplane

+ After did reconstruction 2/3, 1992  
Wrote Clinton letter - attached is accts rept

-Pat McCarthy & Assoc. Denver, Colo

+Add'l info - add'l schedule - add'l problems

Long Ver

+RLF - Madison Guaranty - Retainer at \$2,000 per month

ANN + Check drawn on WWDC - payable to HRC

Bernie + Believe that it believes prob. represents  
confirmed payment of \$2,000 # of months for 17 months

[15 months for \$2,000 per month - Retainer]  
Webb Hubbell

End of '86 - asked for records  
- McDougals say that all of  
Corp records to HRC

Issue in campaign - 86 - Records to HRC

RLF - Campaign Jim Lyons

Loretta Lynch

COPY



-Betsy Wright had those Records - Took em home  
-Betsy Wright

WH retrieved - records from BW

Been at WH - Sent files related to WW

Make a more complete reconstruction

Charles James - subpoenaed w/SBIC matter  
Relate to \$ going into WW

GJ indicted Hale ~ Press says that GJ continue investigation

RTC - people trying to get BC and JGT

- story of a referral by RTC regarding  
Indictment of JGT - Chuck Banks  
rejected

Vacuum      Rose Law files      WWDC Docs - subpoena

\*Documents - never know go out  
Quietly(?)

Susan McDougal:

\*McDougal's acct at Madison - two different checks

\*IP file partial releases of the mtge

Examiners - McDougal

Charles Peacock - proceeds went from Charles  
for Clinton campaign - 85

made a donation (?)

\$3,000 - \$12,000 \*Could all come from Charles Peacock  
Loan - \$ siphoned off from the Loan

Charles Peacock (Ken Peacock?)

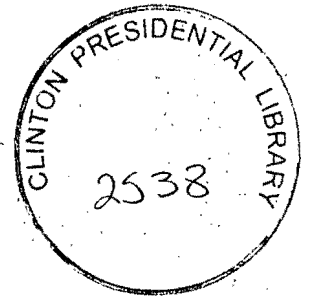
\$1500 per election - \$3,000

Primary and a general

Betsy Wright - if Clinton took out a loan  
not disclosed

Today - the last report

Never had a match bet receipts & expenditures



COPY

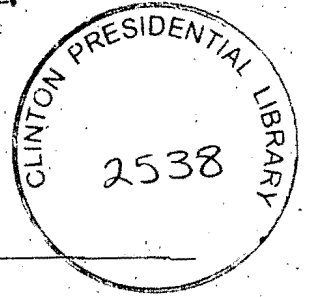


Filed a report 30 days after the election - "Final Rept."

-Would not be a report that not reflect these contributions

Betsy said "Didn't have to disclose the loans"

[\$300,000 what application from(?)]



Hale had property - Property for \$750,000 to somebody that MCD found

Madison loan \$825,000 - 325,000 from \$825,000

\$500,000 in David Hale - put in SBIC

then David Hale - loaned the  
max to SM 2/86

4/86 - CMS to David Hale

Could be that JGT is target of RTC referral

1986 - New stmt of purpose

Flowerwood - collateral as a maker

Repay it - Promise to repay it

HRC wait to after the election

\$4761.33

1978- AG + HRC new lawyer at RLF

MCD may have approached Clinton - few things  
that could do

Buy - Subdivide - sell lots & get rich

No cash - 100% leverage

Bought from 101 River Development

202,000

\$182,000 Citizens Bank in Flippin Personal Loans

\$20,000 Union National Bank in LR

- Great Southern Land Co - apparently asked to do certain  
work & speed \$ on raw ground

GSLC - credited w/ Advance to WW

\$34,160.72

COPY



S 012535

Subdivided - Lots sold - Purchase or Contract

Paid out over time - Revenue stream  
Would service lots and pay debt

1979 - WWDC formed

Assets xfd - Mortgage + Debt kept personally

Revenues used to reduce Debt - Money paid directly on Loans  
for which Clintons obligors

- Ease of Admin

Lot sales were slow - 44 Lots  
230 acres

HUD Interstate Land Sales Prospectus  
Real Estate slows down

McD & Clinton advance & to service debt

1981: McD - put more \$ in than(?) year  
W - buy a show home & put on one  
of the lots

HRC - McD loan from MBT - will buy  
Lot 13 2.5 acres  
Accelerate sales  
[McD also has a loan at Madison Bank]

Loan Serviced -

\$2,000 paid 83  
\$7,200 84

Refinanced at Security Bank of Paragould

- paid off in 1989

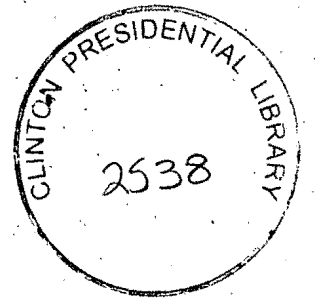
Sold twice - Helman Logan - foreclosed  
HRC gets back

HRC sells at small gain - Pays the tax and passes out of  
her life - paid cash

WWDC - \$30,000 paid by HRC:

\$28,000 goes out to pay off a debt owed by  
WWDC to Pesbrooke(?) -

Advance to Corporation - Actually how it is treated



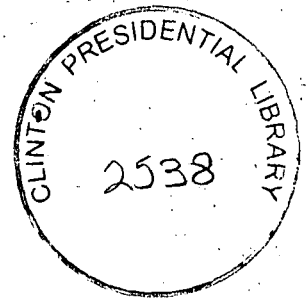
COPY





\*

\$9,000 McDougal - Interest payment (?)  
- Check in Blank



5/85:  
8/11/91  
2/2/92

Second note at Madison Bank

\$20,744.65 President to  
Madison Bank - expecting applied to HRC Loan -  
- Applied instead to McDougal loan

8/81 -

FY 92 McD borrows \$30,000 from  
Madison Bank  
BC check in personal(?) Acct  
\$20,744.65 to MBT  
-Not applied to HRC loan  
-Repayment of Loan-  
Applied to McDougal Note written on  
personal acct

One year later - refinances HRC at Security Bank

Lot 13 Interest Problem

\$20,744 not properly accted for

Chris Wade - runs real estate office - Ozark Lands

He believes that a part owner - no  
paper/no evidence - any ownership  
interest

Earn in of some kind

1985 ~ McDougal decides to get out - deal w/Wade

Ozark Air Services, Inc. - Real Estate Air Charter

Wade - acquire remaining 24 lots  
for assumption of \$35,000 (?)  
at Flippin

+ Airplane

\*Airplane xfed in blank(?) - sold for \$25,000

\*taken by McDougal as a commission  
Not Reconstruction -  
\$11,000 -

Clinton not released until Fall of 1992

Blair up - Chris Wade

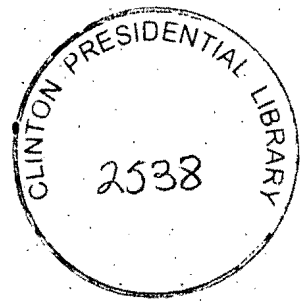
COPY



Owe IRS

[WWDC - \$232,000]

[Goes to GSLC:]



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Sold stock for \$1,000

Term as governor - rept as asset/liability/neither

1st Federal Candidate Disc Form

-Did not disclose bec did not know  
existed

-Blair/Foster/Lyon - get rid of it  
McD buy it - HRC told to sell it

xaction structured by Blair

McD - Buy

-Indemnity & Hold Harmless McDougal

-Tax Time: Clearly lost \$ - LT Capital Loss

Could write off up to \$3,000 per  
year

LTCG

--Concluded that if do that --

IRS:

No Basis - \$1,000 Gain - Pay taxes on \$1,000

12/92

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COPY



# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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001. memo	Mitch Paradise to George Stephanopoulos (1 page)	03/07/1994	P5 2539
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### COLLECTION:

Clinton Presidential Records  
WHORM-Subject File-General  
JL  
OA/Box Number: 23361

### FOLDER TITLE:

120209

Debbie Bush  
2006-0320-F  
db2010

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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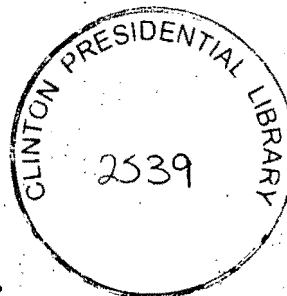
TO: GEORGE STEPHANOPOULAS

FROM: MITCH PARADISE

DATE: MARCH 7, 1994

SUBJECT: WHITEWATER DAMAGE CONTROL

---



120209

JL

You want to get bad news off the front page? Take a bold step and get the max out of the latest good news, the end of the fighting between Croatia and Bosnia.

Now is the time for President Clinton the peacemaker to get some mileage out of his efforts. He should immediately send a force of the Army Corps of Engineers into Bosnia to begin repairing infrastructure in Sarajevo and perhaps other cities. He should also consider sending in some American troops now to free up other UN personnel for more dangerous assignments.

The President has been very bold lately on the foreign front both in diplomacy and economics. If the auto parts deal with Japan is for real, it's a real coup, and you've got to score big with it. But you're not collecting on the Bosnia triumph. Clinton's taken a lot of shots for being a stumbler in foreign affairs. Go grab this one.

\*

Fight back on Whitewater. I was astounded in watching C-Span during the early days of the Arkansas State Trooper allegations about the President to see the reservoir of moral capital he's built up in the country. Little old ladies calling in and berating those troopers, and anybody else slandering the President.

\*

Finally, it's time to start isolating Bob Dole as an enemy of the people. Of course it would be easier if you guys weren't so busy imploding over there. His energetic stands against the stimulus package, the Brady Bill, and other legislation is class warfare of the worst sort. Turns out you could have had the stimulus package and still cut the deficit by over \$110 billion for '95. You could drop the entire population of this guy's state on the San Diego Freeway during rush hour, and no one would notice. His views just don't represent the problems of this country.

COPY

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Jane Sherburne to George Stephanopoulos (2 pages)	10/06/1995	P5 2540

### COLLECTION:

Clinton Presidential Records  
WHORM-Subject File-General  
JL  
OA/Box Number: 23361

### FOLDER TITLE:

138185

Debbie Bush  
2006-0320-F  
db2027

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

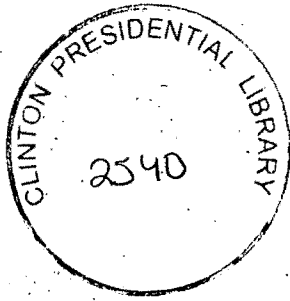
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

#### Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

# COPY



THE WHITE HOUSE  
WASHINGTON

138185

JL

October 6, 1995

MEMORANDUM FOR GEORGE STEPHANOPOULOS  
SENIOR ADVISOR TO THE PRESIDENT

FROM: JANE C. SHERBURNE *JS*  
SPECIAL COUNSEL TO THE PRESIDENT

DAVID B. FEIN *DBF*  
ASSOCIATE COUNSEL TO THE PRESIDENT

RE: Follow-up on Document Request from the Senate  
Special Committee

In regard to our October 4, 1995 Memorandum, "Document Request from Senate Special Committee," we have clarifying information based on our continuing discussions with the Senate Special Committee.

In particular, the Special Committee has modified Request 6 of the October 4, 1995 Memorandum, which requested records of communications between White House officials and some 56 different people, among them Roger Altman, Webster Hubbell and Betsey Wright. The Committee agreed that, in general, records of communications, contacts or meetings between White House officials and Roger Altman, Webster Hubbell or Betsey Wright need be provided only if they relate to Whitewater or Madison Guaranty.

However, with respect to a certain members of the White House staff, the Committee was unwilling to limit its request for such records to Whitewater or Madison. Rather, the Committee agreed only to exclude certain subject matters from its request for records of communications between those individuals and Roger Altman, Webster Hubbell and Betsey Wright.

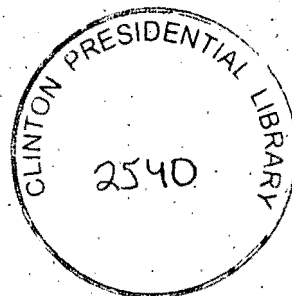
Accordingly, when responding to Request 6 of the October 4 Memorandum, please review your records for communications, contacts or meetings that you had with Roger Altman, Webster Hubbell or Betsey Wright regarding any subject **except** the following:

(L)

I don't  
have any.

(C)

COPY



- a. appointments, nominations and vetting
- b. post-employment issues, financial disclosures, fund-raising, and gifts
- c. health care reform
- d. legislation or regulations

Please keep in mind that this request calls for **White House records relating to communications between January 20, 1993 and August 5, 1994.**

If you have any questions about this "clarification" or the original request, please contact Jane Sherburne (6-5116) or David Fein (6-6219).

Thank you for your cooperation.

*Sent to  
Jane +  
David 10/10  
hm*

**COPY**

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. list	List of documents (11 pages)	05/23/1996	P6/b(6)
001b. letter	Janet Reno to The President (3 pages)	05/23/1996	P5 2541
002. letter	Janet Reno to The President (1 page)	05/08/1996	P5

### COLLECTION:

Clinton Presidential Records  
WHORM-Subject File-General  
JL  
OA/Box Number: 23361

### FOLDER TITLE:

169658

Debbie Bush  
2006-0320-F  
db2011

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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- b(1) National security classified information [(b)(1) of the FOIA]
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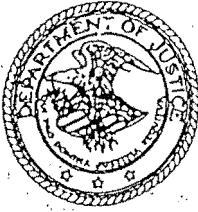
C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

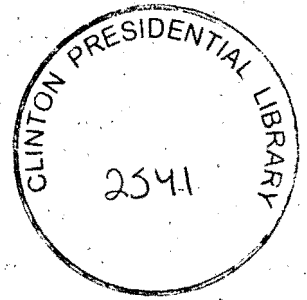
RR. Document will be reviewed upon request.

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Office of the Attorney General  
Washington, D. C. 20530



May 23, 1996

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

You have requested my legal advice as to whether executive privilege may properly be asserted with respect to certain confidential White House Counsel's Office documents that are responsive to subpoenas issued by the Committee on Government Reform and Oversight of the House of Representatives. The subpoenas have been issued in connection with the Committee's investigation of the White House Travel Office matter.

By letter dated May 8, 1996, I advised you that, based on the circumstances described in that letter,

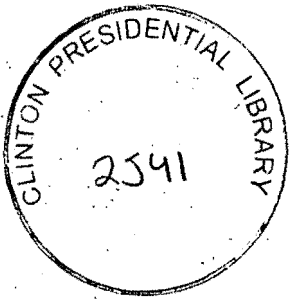
executive privilege may properly be asserted with respect to the entire set of White House Counsel's Office documents currently being withheld from the Committee, pending a final Presidential decision on the matter. This would be a protective assertion of executive privilege designed to ensure your ability to make a final decision, after consultation with the Attorney General, as to which specific documents are deserving of a conclusive claim of executive privilege.

The Counsel to the President has now identified the specific White House Counsel's Office documents with respect to which he recommends that you assert executive privilege. The documents are identified on an index of privileged documents attached to his memorandum to you dated May 23, 1996. His memorandum to you of May 8, 1996 describes the efforts the White House has made to accommodate the Committee's information needs.

The Office of Legal Counsel of the Department of Justice has reviewed the documents for which assertion of executive privilege has been recommended and is satisfied that they fall within the scope of executive privilege. I concur in that assessment.

The documents are in three categories. Most of the documents are analytical material or other attorney work-product prepared by the White House Counsel's Office in response to the ongoing investigation by the Committee. A second category consists of similar material prepared in connection with the ongoing criminal investigation by Independent Counsel Kenneth

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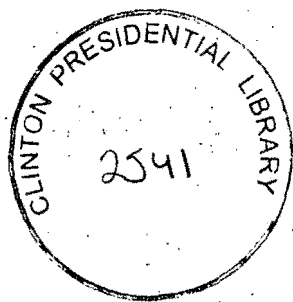
Starr. Finally, a small number of documents are analytical documents that do not concern either the Travel Office matter or these investigations, and which were prepared by the Counsel's Office in order to provide legal advice within the White House.

The Counsel to the President is appropriately concerned that the Committee's demand raises significant separation of powers concerns and that compliance with it beyond the accommodations already reached with the Committee would compromise the ability of his Office to advise and assist the President in connection with the pending Committee and Independent Counsel investigations. It would also have a chilling effect on the Office's discharge of its responsibilities in future congressional investigations, and in all of its other areas of responsibility. I agree that the ability of the White House Counsel's Office to serve the President would be significantly impaired if the confidentiality of its communications and work-product is not protected, especially where the confidential documents are prepared in order to assist the President and his staff in responding to an investigation by the entity seeking the documents. Impairing the ability of the Counsel's Office to perform its important functions for the President would in turn impair the ability of you and future Presidents to carry out your constitutional responsibilities.

The Supreme Court has expressly (and unanimously) recognized that the Constitution gives the President the power to protect the confidentiality of White House communications. This power is rooted in the "need for protection of communications between high Government officials and those who advise and assist them in the performance of their manifold duties." United States v. Nixon, 418 U.S. 683, 705 (1974). "A President and those who assist him must be free to explore alternatives in the process of shaping policies and making decisions and to do so in a way many would be unwilling to express except privately." Id. at 708. Executive privilege applies to these White House Counsel's Office documents because of their deliberative nature, and because they fall within the scope of the attorney-client privilege and the work-product doctrine. See Upjohn Co. v. United States, 449 U.S. 383 (1981); Hickman v. Taylor, 329 U.S. 495 (1947). Both the attorney-client privilege and the work-product doctrine are subsumed under executive privilege. See Response to Congressional Requests for Information Regarding Decisions made Under the Independent Counsel Act, 10 Op. O.L.C. 68, 78 & n.17 (1986); Confidentiality of the Attorney General's Communications in Counseling the President, 6 Op. O.L.C. 481, 490 & n.17, 494 & n.24 (1982).

Under controlling case law, in order to justify a demand for confidential White House documents, a committee is required to demonstrate that the information sought is "demonstrably critical to the responsible fulfillment of the Committee's functions."

COPY 2



Senate Select Committee on Presidential Campaign Activities v. Nixon, 498 F.2d 725, 731 (D.C. Cir. 1974) (en banc). And those functions must be in furtherance of legitimate legislative responsibilities of Congress. See McGrain v. Daugherty, 273 U.S. 135, 160 (1927) (Congress has oversight authority "to enable it efficiently to exercise a legislative function belonging to it under the Constitution"); Barenblatt v. United States, 360 U.S. 109, 111 (1959) ("Congress may only investigate into those areas in which it may potentially legislate or appropriate").

The confidential White House Counsel's Office documents for which privilege would be asserted are not contemporaneous documents concerning the White House Travel Office matter being investigated by the Committee, or even documents generated as part of the White House review of that matter, but rather were created in connection with other matters or the response of the White House to subsequent investigations of the Travel Office and other matters by the Committee and the Independent Counsel. Whatever may be the extent of Congress' authority to conduct oversight of the executive branch's response to oversight -- a question that must be viewed as unresolved as a matter of law in light of the requirement that there be a nexus to Congress' legislative authority -- it is clear that congressional needs for information in that context will weigh substantially less in the constitutional balancing than a specific need in connection with the consideration of legislation. As for documents concerning the White House response to an ongoing criminal investigation by an Independent Counsel, we can identify little, if any, legitimate legislative need for such information. In sum, based on the Office of Legal Counsel's review of the documents for which assertion of executive privilege has been requested, and conducting the balancing required by the case law, see Senate Select Committee, 498 F.2d at 729-30; United States v. Nixon, 418 U.S. at 706-07, I do not believe that access to these documents would be held by the courts to be "demonstrably critical to the responsible fulfillment of the Committee's functions." Senate Select Committee, 498 F.2d at 731.

In conclusion, it is my legal judgment that executive privilege may properly be asserted in response to the Committee's subpoenas.

Sincerely,

Janet Reno  
Attorney General

COPY

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Janine Stanzione to Mack McLarty; RE: Personal information and telephone numbers (partial) (1 page)	09/27/1993	P6/b(6)
002. memo	Janine Stanzione to Mack McLarty; RE: Personal information, telephone numbers and dates of birth (partial) (1 page)	01/10/1994	P6/b(6)
003. memo	Requests for Mack McLarty; RE: Personal telephone numbers (partial) (4 pages)	01/19/1994	P6/b(6)
004. memo	Requests; RE: Personal information, and telephone numbers (partial) (3 pages)	n.d.	P6/b(6)
005. memo	Requests; RE: Personal telephone numbers and dates of birth (partial) (1 page)	n.d.	P6/b(6)
006. memo	Deb Coyle to Marsha Scott & Carolyn Huber; RE: Personal (2 pages)	n.d.	P6/b(6)
007. letter	Arnold to McLarty; RE: Personal address (partial) (1 page)	05/24/1993	P6/b(6)
008a. letter	Mack to The President; RE: Truman (1 page)	04/25/1994	P5 2542
008b. letter	Truman Arnold to President Bill Clinton; RE: Note [partial] (2 pages)	03/29/1994	P6/b(6)

### COLLECTION:

Clinton Presidential Records  
WHORM Subject File-General  
JL  
OA/Box Number: 23361

### FOLDER TITLE:

211347

Debbie Bush  
2006-0320-F  
db697

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

#### Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
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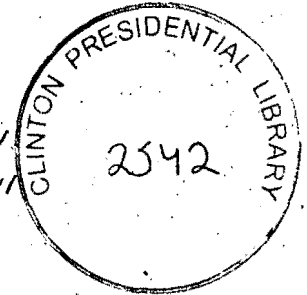
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208357  
50

MACK McLARTY

THE PRESIDENT HAS SEEN



94 APR 27 A8:10

April 25, 1994

To The President:

In keeping with Truman's letter and our conversation of today, I think you should at least give Truman a call, since you now don't see any need to meet with him.

I think this will fully suffice since you have been with Truman a great deal recently, but he has been unfailing in his support.

Please have Nancy let me know when you have made contact.

Mac

Attachment

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# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. report	Reports prepared for the Federal Deposit Insurance Corporation; RE: Attorney Client Privilege (11 pages)	n.d.	P5 2543

### COLLECTION:

Clinton Presidential Records  
WHORM Subject File-General  
JL002-02  
OA/Box Number: 23353

### FOLDER TITLE:

235828

Debbie Bush  
2006-0320-F  
db701

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

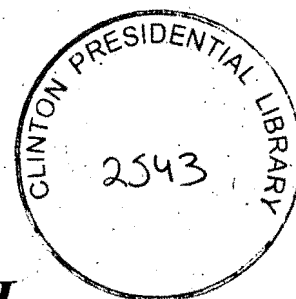
RR. Document will be reviewed upon request.

#### Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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**REPORTS**



***PREPARED for the FEDERAL  
DEPOSIT INSURANCE CORPORATION***

***by***

***PILLSBURY MADISON & SUTRO***

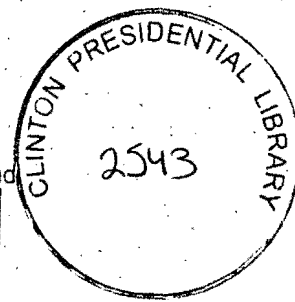
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***WHITEWATER DEVELOPMENT  
COMPANY, INC.***

***ROSE LAW FIRM REPRESENTATION of  
MADISON GUARANTY SAVINGS &  
LOAN***

**COPY**

because, again as previously stated, we expected that the WDC venture would ultimately become self-financing.<sup>247</sup>



Beyond that, Mrs. Clinton indicates that she knows a number of the donors and was probably acquainted with certain others of them, although she would not say that she knew any of them "well."<sup>248</sup>

President Clinton states that he did attend the fund raiser but does not believe that Senator Fulbright attended, although McDougal had scheduled the event in the hope Senator Fulbright would be able to attend. President Clinton recalls nothing about the circumstances of any contribution that Senator Fulbright may have given.<sup>249</sup> President Clinton indicates that he was acquainted with a number of the contributors but he knows nothing about the source of the funds they used to make the contributions, nor does he know how much, if any, of the money obtained through the contributions was used to repay his debt to the Bank of Cherry Valley.<sup>250</sup> No contrary evidence has been found.

3. 1986-1988: David Hale and the International Paper deal.

The Preliminary Report discussed a \$300,000 loan to Susan McDougal made by David Hale's Capital Management, Inc., \$25,000 of which was used to fund part of a purchase of land from International Paper Realty Company made in the name of Whitewater.<sup>251</sup> The discussion noted press reports that Hale claims President Clinton pressured him into making the loan.<sup>252</sup>

President Clinton states:

I don't know what "alleged claim" David Hale has made. I don't recall any conversation with David Hale about loaning money to Jim McDougal, Susan McDougal, Master Marketing, Madison Guaranty, or any entity owned by the McDougals, and I am certain

247 Interrogatory Responses of Hillary Rodham Clinton, May 24, 1995, answer to Interrogatory No. 21, at 50.

248 *Id.*, answer to Interrogatory No. 21(c), at 52.

249 Interrogatory Responses of William Jefferson Clinton, May 24, 1995, answers to Interrogatories Nos. 21(a) and 21(b), at 39-40.

250 Interrogatory Responses of William Jefferson Clinton, May 24, 1995, answers to Interrogatories Nos. 21(c)-21(h), at 41-43.

251 See Preliminary Report at 115-22.

252 *Id.* at 115.

CONFIDENTIAL-PRODUCED BY THE RTC TO THE  
SENATE SPECIAL COMMITTEE

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DETERMINED TO BE AN  
ADMINISTRATIVE MARKING  
INITIALS: OB DATE: 6/3/08



I never "pressured" Hale or any company he owned to make any loan.<sup>253</sup>

Mrs. Clinton states that she did not have any conversation with Hale about loaning money to the McDougals or Madison Guaranty.<sup>254</sup> Both of the Clintons state that they had no knowledge of the \$300,000 loan made by Capital Management to Susan McDougal dba Master Marketing.<sup>255</sup>

Whitewater bought the International Paper parcel in October 1986. Shortly thereafter, McDougal sent the Clintons a "status report" letter dated November 14, 1986.<sup>256</sup> The RTC's interrogatories asked about this letter. Mrs. Clinton answered and President Clinton incorporated by reference her answer. Mrs. Clinton states that she believes that she and her husband received the letter, but she cannot recall the circumstances. With regard to McDougal's offer to have Charles James go over Whitewater's books with the Clintons, she says that the Clintons relied on McDougal's representations and did not feel a need to review the books. Mrs. Clinton states that she was encouraged by the letter to the extent that it suggested that Whitewater would have sufficient income to settle its affairs and be wound up when the debt was finally paid off.<sup>257</sup>

Mrs. Clinton also describes discussions that the Clintons had with McDougal at about this time about getting out of Whitewater.

I don't recall whether we had specific discussions with Jim McDougal about his letter, but I know that we did have discussions with him at about this time concerning our getting out of WDC. As I recall these discussions, Jim asked us to surrender our equity in the company to him or to him and Susan, because he believed they could use the company's losses for "tax purposes," as his letter says, although I do not know what those "tax purposes" were. My husband and I were not averse to doing this, since WDC by this time was a venture in which we had spent

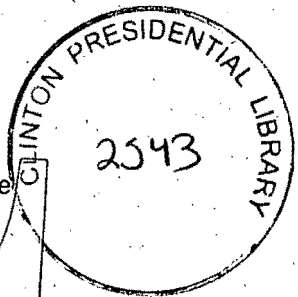
253 Interrogatory Responses of William Jefferson Clinton, May 24, 1995, answer to Interrogatory No. 23(a), at 44-45.

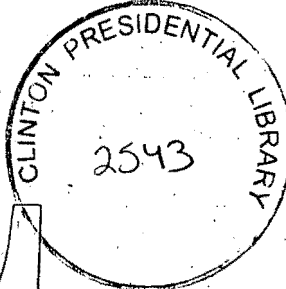
254 Interrogatory Responses of Hillary Rodham Clinton, May 24, 1995, answer to Interrogatory No. 23, at 54-55.

255 Interrogatory Responses of William Jefferson Clinton, May 24, 1995, answer to Interrogatory No. 23(c), at 45; Interrogatory Responses of Hillary Rodham Clinton, May 24, 1995, answer to Interrogatory No. 23(c), at 55.

256 See Preliminary Report at 119-20.

257 Interrogatory Responses of Hillary Rodham Clinton, May 24, 1995, answer to Interrogatory No. 24(a), at 56-57.





a great deal of money and received no return, but we did not want to be in a position of losing whatever equity we had in the company while still being personally obligated on the mortgage loan at Citizens Bank in Flippin and on the Lot 13 loan which was, as of this time, at the Security Bank of Paragould. As I recall our discussions, it proved impossible to get my husband and me released from these loans, so we ultimately declined to surrender our equity in WDC to the McDougals. During these discussions, neither of the McDougals suggested that we should contribute more money to the venture.<sup>258</sup>

Mrs. Clinton says that at no time before 1989 did she know anything about the purchase by Whitewater of 810 acres of land from International Paper Realty Corporation; to the contrary, she believed that Whitewater was in the process of winding up its affairs.<sup>259</sup> No contrary evidence has been found.

G. 1985-1992: Whitewater after the land was gone.

1. The bulk sale to Ozark Air and its assumption of some of the debt.

The Preliminary Report discussed the bulk sale of Whitewater's remaining lots to Chris Wade's Ozark Air in May 1985 and the periodic reduction thereafter in the amount owing on the Citizens Bank mortgage loan, culminating in its final repayment in May 1992.<sup>260</sup> Asked why between July 1986 and May 1992, the Clintons did not repay the Citizens Bank mortgage loan, Mrs. Clinton answered:

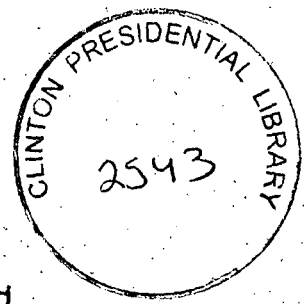
As previously indicated, it was always intended that this mortgage loan would be repaid by the income stream generated by the escrow contracts from lots that had been sold. *We saw no reason to prepay the mortgage personally.* The mortgage was ultimately paid off completely, as were all the WDC bank loans which my husband and I signed for at the Union Bank, the Bank of Cherry Valley, the Bank of Kingston (Madison Bank and Trust), and the Security Bank of Paragould. To the best of my knowledge, my

258 *Id.*, answer to Interrogatory No. 24(b), at 57-58.

259 Interrogatory Responses of Hillary Rodham Clinton, May 24, 1995, answer to Interrogatory No. 24(c), at 59-60. President Clinton incorporated by reference his wife's answer to this interrogatory. Interrogatory Responses of William Jefferson Clinton, May 24, 1995, answer to Interrogatory No. 24, at 46-47.

260 See Preliminary Report at 123-25.

COPY



C. David Hale and the International Paper deal.

1. The loan to Susan McDougal dba Master Marketing and the International Paper parcel.

Judge David L. Hale was appointed to a Pulaski County Municipal Court judgeship by Governor Clinton in 1979; he held that post until 1993.<sup>634</sup> Between 1980 and 1993, Hale and two family members owned Capital Management, Inc., a "specialized small business investment company" licensed by the Small Business Administration to invest in "disadvantaged small businesses." In 1993, the Small Business Administration placed Capital Management in receivership because its accumulated losses exceeded its private capital by 171 percent.<sup>635</sup>

According to the GAO, Capital Management made many inappropriate loans to people who were not disadvantaged by any SBA standard,<sup>636</sup> including loans to companies secretly owned by Hale himself.<sup>637</sup>

The press reports that Hale claims he was pressured by Governor Clinton and Jim McDougal into lending \$300,000 to Susan McDougal in April 1986.<sup>638</sup> Hale claims that McDougal told him that the loan would help clean up problems at Madison Guaranty, which was under pressure from federal regulators.<sup>639</sup> Other press reports, quoting McDougal, assert that the \$300,000 ended up in Whitewater and was used to buy a parcel of land, sometimes called the Woodson Industrial Tract, from International Paper Company.<sup>640</sup> While the truth or falsity of Hale's claim cannot be determined

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634 General Accounting Office, Report to the Chairman, Committee on Small Business, House of Representatives, *Inadequate Oversight of Capital Management Services, Inc.-- A SSBIC 2 n.4* (GAO/OSI-94-23, Mar. 21, 1994) (hereinafter, "GAO Capital Management Report").

635 *Id.* at 1-2.

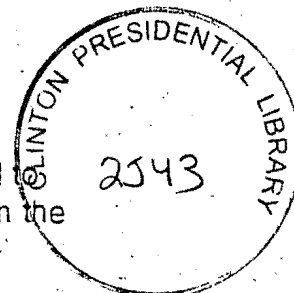
636 There is no clear SBA definition of "socially or economically disadvantaged." In any case, Hale stretched the envelope by defining everyone in Arkansas to fit the definition. Hale argued, "Arkansas is the poorest state in the United States . . . . This area has been determined by the Congress to be Economic[ally] depressed in comparison with that of the Third World Countries." *Id.* at 10-11.

637 *Id.* at 5-9.

638 *Id.* at 16.

639 *Id.*

640 *Id.*



from the available documentation,<sup>641</sup> \$25,000 of the \$300,000 was used to fund part of Whitewater's purchase of the Woodson Industrial Tract from the International Paper Company.

Jim McDougal first became interested in the International Paper parcel, 810 acres located close to the Pine Bluff Highway (U.S. 65) southeast of Little Rock, in February 1986.<sup>642</sup> McDougal, who called the parcel "Lorance Heights," planned to market it as a residential area for elderly and low-income people.<sup>643</sup> McDougal signed a contract with International Paper on March 4, 1986 to purchase the property but the deal did not close until October 1986.<sup>644</sup>

McDougal purportedly acted for Whitewater, and the paper for the transaction shows Whitewater was the purchaser. A deed and a mortgage executed October 5 and 10, 1986, respectively, and recorded October 20, 1986 show Whitewater as the grantee.<sup>645</sup> At the time, the McDougals told International Paper that they were the sole owners of Whitewater, with Jim being the president and Susan the secretary.<sup>646</sup>

International Paper sold the 810 acres for \$550,950.<sup>647</sup> At closing, \$80,190 was paid in cash.<sup>648</sup> International Paper took back a mortgage covering two promissory notes totaling \$470,760.<sup>649</sup> Whitewater, however, did

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641 Hale has not been interviewed; the Independent Counsel has requested that the RTC not do so for the present. McDougal refused to answer questions based on his Fifth Amendment rights.

642 GAO Capital Management Report at 13.

643 *Id.*

644 GAO Capital Management Report at 13.

645 DKRT200634-40. For Whitewater, only the McDougals signed these documents.

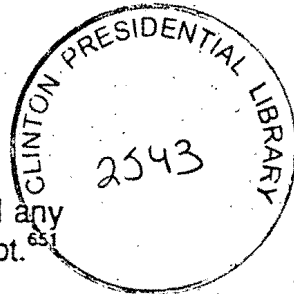
646 GAO Capital Management Report at 15.

647 GAO Capital Management Report at 13.

648 *Id.* at 13 n.14. The cash included McDougal's personal check for \$25,000 dated April 29, 1986 and a cashier's check for \$55,190 dated October 10, 1986. The latter check has not been located.

649 DKRT200639-40. Chart 6 outlines this transaction.

COPY



not have this much money.<sup>650</sup> In fact, Whitewater itself never contributed any money to this land acquisition. It did, however, become liable for the debt.<sup>651</sup>

Although the *GAO Capital Management Report* speaks of \$25,000 having been paid at the closing in October (it does not say by whom),<sup>652</sup> the \$25,000 actually was earnest money that had been paid six months earlier, on April 21, 1986, using a personal check written on the McDougals' joint account, Madison Guaranty account #424.<sup>653</sup> According to a memorandum printed off of a Madison Guaranty computer disk, McDougal directed Kirby Randolph (the wife of R. D. Randolph and a receptionist at Madison Guaranty) to cut the check:

Please issue a personal check for me to International Paper Realty Corporation for \$25,000, earnest money on the purchase of a portion of the Woodson Industrial tract, Pulaski County, approximately 775 acres, Whitewater Development Corporation. Return to me at Castle Grande.

At the beginning of April, the McDougals had less than \$25,000 in the joint account at Madison Guaranty (no. 424), on which the check was drawn.<sup>654</sup> By April 7, their balance was down to \$3,094.48. The next day, April 8, \$300,000 was deposited into Jim and Susan McDougal's joint account.<sup>655</sup> The money came from David Hale's Capital Management Services' April 3, 1986 loan of \$300,000 to Susan McDougal d/b/a Master Marketing. The loan was in the form of a 12 percent promissory note due April 1991, interest only (i.e., \$36,000 a year) for the first three years, then \$14,122.05 a month interest and principal thereafter.<sup>656</sup>

Microfilm of the canceled check shows that it is made out to "Susan McDougal d/b/a Master Marketing."<sup>657</sup> Nobody has endorsed it, but on the back side it is stamped "Deposit to the Account of the Named Payee. Missing

650 RTCKC0408.

651 DKRT200639-49.

652 *GAO Capital Management Report* at 13 n.14.

653 McDougal check on account #424, IC54502, which cleared April 29, 1986, as shown on his April 30, 1986 bank statement. IC02156.

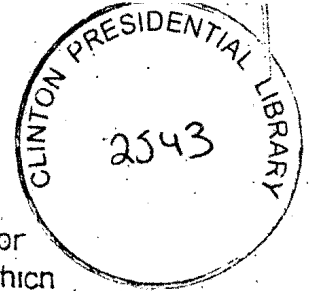
654 They had \$18,712.14. IC02154.

655 IC02154.

656 PMS0659; *GAO Capital Management Report* at 11 n.10.

657 IC52550-51.

COPY



endorsement guaranteed by Madison Guaranty Savings and Loan Association Little Rock." The numbers 00424 also appear, indicating the account into which the money was deposited.<sup>658</sup>

Furthermore, there was no specific account maintained at Madison Guaranty (or, so far as is known, anywhere else) for any "Master Marketing." While there was an account for Madison Marketing (which Susan McDougal owned), that account did not receive \$300,000, or any such sum of money, at any time near this.

The SBA summarizes the loan as follows:

The loan was ostensibly given to provide working capital for Mrs. McDougal's newly created advertising firm, Master Marketing, and was secured by equipment, inventory, commissions, and the personal guarantees of Mr. and Mrs. McDougal. At the time of the loan, both Mr. and Mrs. McDougal provided a combined financial statement reporting a net worth of \$2.2 million. Mrs. McDougal's eligibility was documented in the boilerplate document, "Determination of Disadvantaged Small Business Concern."<sup>659</sup>

A security agreement, a loan agreement and an SBA portfolio financing report bear out the SBA's summary.<sup>660</sup> In particular, the "Determination of 'Disadvantaged Small Business Concern,'" which Susan McDougal signed, provides:

The owner of the herein SBC because of her economic background and the social and economic system which she works [sic] has prevented her from obtaining financial and other assistance available to the average entrepreneur in the economic mainstream.<sup>661</sup>

The disposition of the entire \$300,000 in loan proceeds is outlined in Chart 17. Of the \$300,000, only \$25,000 went to this International Paper ]-X

658 IC52551.

659 *Id.* at 11-12.

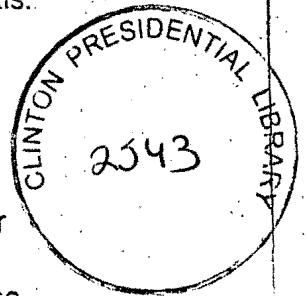
660 PMS0658-61, 0669-76, 0704-09.

661 PMS0709.

COPY

transaction.<sup>662</sup> The balance of the \$300,000 went to pay off numerous apparently unrelated obligations. J-x

This loan was not the only connection between Hale and the McDougals. For example, Madison Guaranty loaned Hale almost \$1 million in two installments: Loan 2706, for \$700,000, made August 1, 1985, and Loan 4116, for \$290,000, made April 30, 1986 and modified February 17, 1987.<sup>663</sup> Among others, companies associated with Mr. Hale that had loans with Madison Guaranty included AMC Financial Corporation (\$124,787). Also, in October 1987, Capital Management became a shareholder in Castle Sewer and Water Corporation, which had outstanding loans from Madison Guaranty totaling \$1,050,000. The available evidence does not establish any link between these transactions and Whitewater.



2. The role of Whitewater with respect to the International Paper parcel.

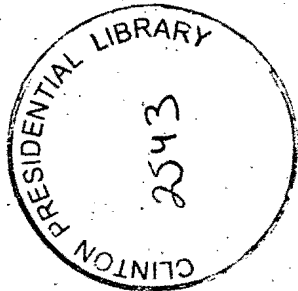
The documentary evidence offers one explanation as to why Whitewater originally was the purchaser of the International Paper parcel, although this requires drawing an inference. On November 14, 1986, Jim McDougal sent the Clintons a "status report on Whitewater Development Corporation."<sup>664</sup> McDougal reported that, to date, the company had lost approximately \$90,000. He noted that Charles James kept the books and would be happy to go over them with the Clintons. He reported that, as of the previous summer, all the property had been sold. He expressed the opinion that purchase agreements and notes from the sales would be enough to amortize the debt. He said that bank relations (with Citizens Bank) had been difficult because of five changes in management and the bank's failure to keep him informed. He also noted that three of the purchasers of the more expensive lots had defaulted, that this had created a large deficiency on the note payment and that sales during the winter months were unlikely.<sup>665</sup>

662 IC54502. Another \$10,936 went to International Paper, but the available documents do not explain why and offer no basis to relate the payment to this land purchase. It is possible that the \$10,936 pertained to "Dogpatch Addition" (see Parts VII.B.1, VII.B.3, VII.B.5 and VII.C above) but that cannot be verified either.

663 See PMS0722-24 for Ingersoll & Bloch's summary of these loans as of June 26, 1987. At that time, both were current and Hale had paid down roughly \$101,667 on Loan 4116. Loan 2706 was secured by a strip shopping center built by Hale in 1983. The loan file is rather complete by Madison Guaranty standards and there is an appraisal which predates the loan. PMS0726-815.

664 DKRT200475, 200668, 200779, 700303, 700320, 400187 (unsigned draft), 700336 (draft), 700338-39 (handwritten version of the letter).

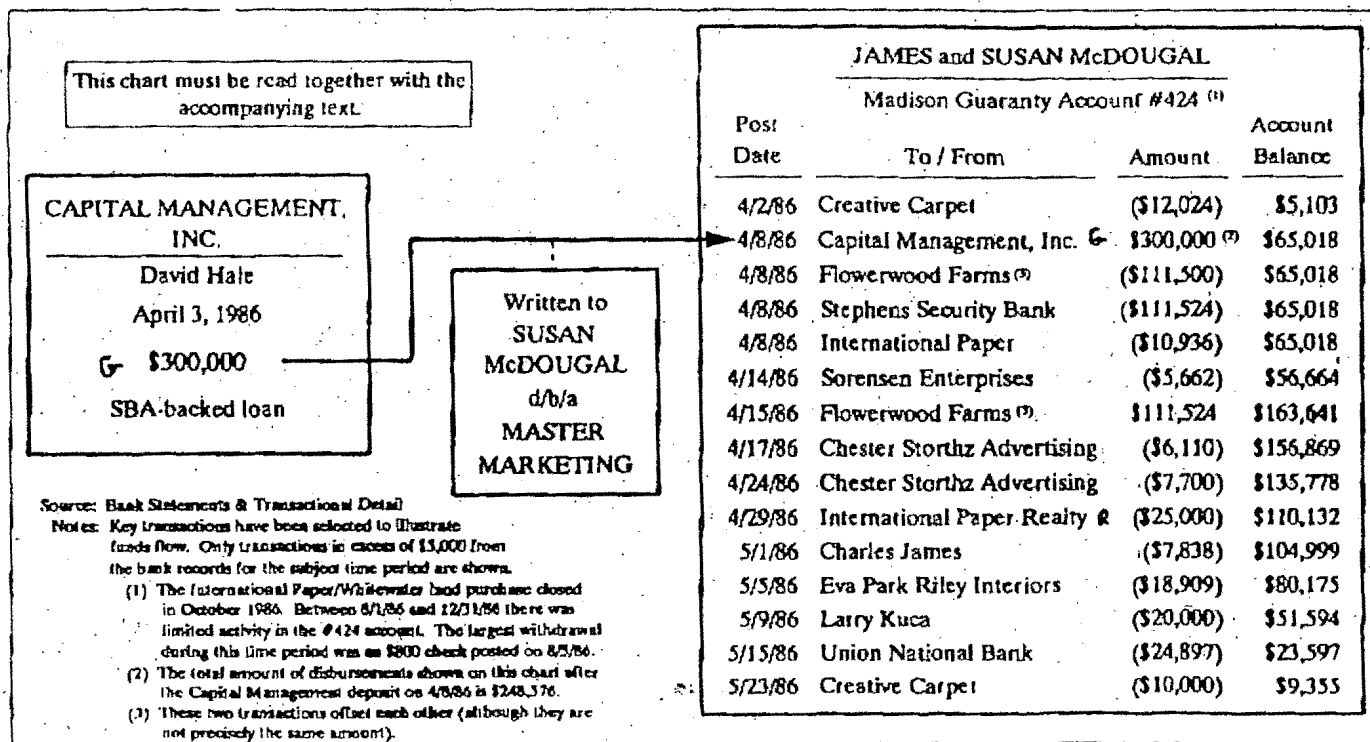
665 *Id.*



#17

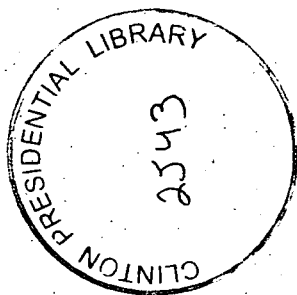
DRAFT

Madison Guaranty  
The \$300,000 Loan from Capital Management, Inc.



COPY





#17

DRAFT

# Madison Guaranty The \$300,000 Loan from Capital Management, Inc.

This chart must be read together with the accompanying text.

## CAPITAL MANAGEMENT, INC.

David Hale

April 3, 1986

G- \$300,000

SBA-backed loan

Written to  
SUSAN  
McDOUGAL  
d/b/a  
MASTER  
MARKETING

Source: Bank Statements &amp; Transactional Detail

Notes: Key transactions have been selected to illustrate funds flow. Only transactions in excess of \$5,000 from the bank records for the subject time period are shown.

- (1) The International Paper/Whisperer bond purchase closed in October 1986. Between 8/1/86 and 12/31/86 there was limited activity in the #424 account. The largest withdrawal during this time period was an \$800 check posted on 8/5/86.
- (2) The total amount of disbursements shown on this chart after the Capital Management deposit on 4/8/86 is \$248,576.
- (3) These two transactions offset each other (although they are not precisely the same amount).

## JAMES and SUSAN McDOUGAL

### Madison Guaranty Account #424 (1)

Post Date	To / From	Amount	Account Balance
4/2/86	Creative Carpet	(\$12,024)	\$5,103
4/8/86	Capital Management, Inc. G	\$300,000 (2)	\$65,018
4/8/86	Flowerwood Farms (3)	(\$111,500)	\$65,018
4/8/86	Stephens Security Bank	(\$111,524)	\$65,018
4/8/86	International Paper	(\$10,936)	\$65,018
4/14/86	Sorensen Enterprises	(\$5,662)	\$56,664
4/15/86	Flowerwood Farms (3)	\$111,524	\$163,641
4/17/86	Chester Storthz Advertising	(\$6,110)	\$156,869
4/24/86	Chester Storthz Advertising	(\$7,700)	\$135,778
4/29/86	International Paper Realty #	(\$25,000)	\$110,132
5/1/86	Charles James	(\$7,838)	\$104,999
5/5/86	Eva Park Riley Interiors	(\$18,909)	\$80,175
5/9/86	Larry Kuca	(\$20,000)	\$51,594
5/15/86	Union National Bank	(\$24,897)	\$23,597
5/23/86	Creative Carpet	(\$10,000)	\$9,355

COPY

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. fax	Michael Rosenberg to George; RE: Op-Ed (2 pages)	03/06/1996	P6/b(6)
002. memo	David Dreyer to Capps; RE: Looks good to me (1 page)	03/06/1996	P5 2544
003. note	Mike Clemente; RE: Phone number [partial] (1 page)	n.d.	P6/b(6)

### COLLECTION:

Clinton Presidential Records  
WHORM-Subject File-General  
PR015  
OA/Box Number: 14009

### FOLDER TITLE:

157241

Debbie Bush  
2006-0320-F  
db2013

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

#### Freedom of Information Act - [5 U.S.C. 552(b)]

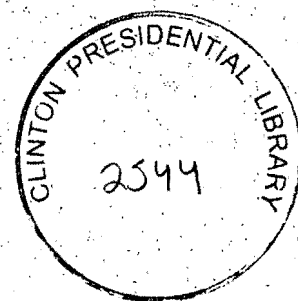
- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

COPY

EXECUTIVE OFFICE OF THE PRESIDENT

06-Mar-1996 10:02am

TO: CAPPS\_L  
FROM: David Dreyer  
CC: STEPHANOPOULOS\_G  
SUBJECT: Looks good to me; here's a stylin' idea



I think the piece is fine. Well done. Here's the problem. This story -- George's oped piece and Whitewater -- is as much about the sins of the press as anything. But it is harmful to George, repeatedly and directly, to say so. I may be making a mountain out of a molehill, but I think the last two sentences in the final paragraph, each critical of the news media, is too much, too hard edged. I tried to dumb it down a little bit, perhaps too much.

So....here's a new concluding paragraph proposed to replace the one already ther

So what have we learned from this episode? I was wrong to react angrily; his report was full, fair and free from bias. Time was wrong to re criminal charges for protesting his appointment (ck); two years have elapsed and allegations have been made. And the President's critics have been persistently without evidence or proof that the Clinton's acted improperly respecting Rose's Madison. I admit my mistake. Would anyone care to join me in admitting their's

Please call Reavie Harvey at 622-0385 to confirm receipt of this email.

COPY

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. note	President Clinton to Mack (1 page)	04/21	P5 2345

### COLLECTION:

Clinton Presidential Records  
WHORM-Subject File-General  
PU001-07  
OA/Box Number: 12155

### FOLDER TITLE:

087508SS

Debbie Bush  
2006-0320-F  
db2014

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

#### Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

COPY

COPY

THE PRESIDENT HAS SEEN  
4/21

March

a lot of the lightening  
hit him as the result  
of poor understanding  
responses to press Qs  
sometimes by people  
who had been told ~~not~~  
to respond —



# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	David Dreyer to Chief of Staff Panetta (3 pages)	07/19/1994	P5 2546

### COLLECTION:

Clinton Presidential Records  
Communications  
David Dreyer  
OA/Box Number: 4362

### FOLDER TITLE:

Whitewater Hearings Overview

Debbie Bush  
2006-0320-F  
db2020

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

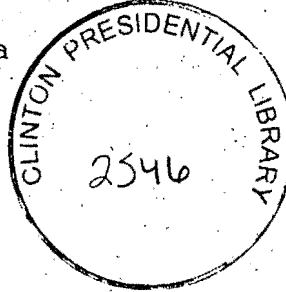
#### Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

# COPY

Memorandum

To: Chief of Staff Panetta  
Fr: David Dreyer  
Re: Whitewater Hearings  
Cc: Lloyd Cutler  
Da: July 19, 1994



TO DAVID  
TO David  
LOOKS GOOD  
CLEAN  
I'll  
Jill  
THIS  
UP  
FORWARDED  
AND  
TO  
POTUS  
LEON

Summary

Let me tell you where we are from a communications perspective on the Whitewater hearings.

Products and Activities

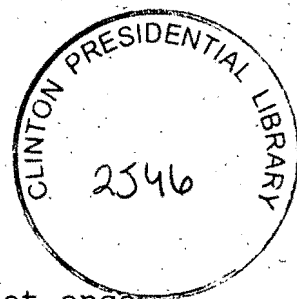
1. Jeff Eller's operation put together a media binder for the press in the districts of every Republican Banking Committee Member. They worked hard on this; it will be helpful during the hearings.
2. The DNC and a contract employee have amassed a three-ring binder of Whitewater briefing materials which are being sent to the House through Barney. Sosnick will circulate in the Senate.
3. The DNC and a contract employee have amassed bio profiles of Committee Members with ~~similar~~ instances of "agency contacts" in their histories.
4. At my request, the DNC has produced a video tape of Republican speeches from the Iran-Contra hearings to show Members what it means to be on message in support of the Administration.
5. Ann Lewis and the DNC are putting together a "viewer's guide" to the hearings for distribution to the press.
6. Todd Stern is working on background materials for issues outside the scope of hearings which might nonetheless be raised by Republicans during the hearings.
7. I have arranged for Barney Frank to appear before the Sperling Breakfast on Friday.
8. ~~I have asked Ann Lewis to be interviewed by the Hotline before the Weekend.~~
9. ~~We are asking Lloyd Cutler to do a Sunday Show this weekend (presumably Face the Nation).~~
10. ~~I will try to get an Administration type on Capital Gang.~~
11. We will spin the weekend shows beginning Thursday.

W/WW T.R.

COPY

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B1672

Memorandum to Leon Panetta  
July 19, 1994  
Page Two



### Talkers

I convened a group of poobahs and pundits with whom we meet once a week to sharpen our communications and get some help on the street. We are meeting again Thursday morning; it would be great for you to drop in (Roosevelt Room). The group consists of Ann Lewis, Leslie Dach, Mike Berman, Bob Shrum, Jody Powell, Jerry Ray, Frank Greer, Paul Costello, and Bob Squier.

### Problems

For three reasons, we are not as ready as we ought to be for the hearings. First, the Democrats on the House and Senate Banking Committees aren't relating to us the way the Republicans on the Iran-Contra Committees dealt with the Reagan Administration. Second, the delay in receiving the third-leg of Fiske's report on the handling of Foster's papers has hurt. Third, the mere assembly of our recounting of this episode has been a painstaking process -- especially with so many duplicative investigations going on.

Consequently, it is hard to see how this story will unfold in the respective Committees beyond the Cutler-Bentsen testimony. In Iran-Contra, the Republicans had a mantra (This is politics. This is a diversion from the serious issues of the day. Let the Special Counsel do his work. This is not a criminal inquiry. The Democrats did not take the Sandinistas seriously) which they repeated over and over. We have not really sent a storyline to the Committee yet.

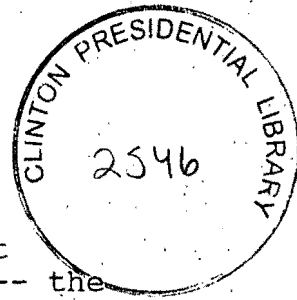
The Republican storyline is fairly clear:

1. **This is a cover-up.** They will use whatever devices they can to move beyond the scope and ask questions about the Arkansas phase of the investigation. They want Riegel and Gonzalez to gavel them down. They have already leaked details about the confidential handling of our documents, and are on record as opposing the limits placed on the hearings. Leach may invoke Rule XI of the House Rules to get a separate day of hearings on Arkansas-related issues.

COPY



Memorandum to Leon Panetta  
July 19, 1994  
Page Three



2. **This is about the President's character** (and the First Lady's). The constellation of issues known as Whitewater -- the abuses of power, the conflicts of interest, the insider's access, the obstruction of justice -- are about more than criminal wrongdoing, as bad as that is. These issues speak to the larger flaws in the President's character which render him unfit for office. He will stop at nothing to block exposure of these flaws -- even if it means gaming (himself or with his cronies) the regulatory or law enforcement process to do so.

I am fearful that given our problems with the Senate and relying solely on Barney, we will not get to the point where we have a message strategy for either Chamber. And, as John said, the witnesses will have to fare for themselves. This is a problem, because it effects how the Administration is viewed by the press and the public watching the hearings.

*re: memo*  
Miscellaneous

1. **Foster.** We have a slight disagreement on emphasis over the Vince Foster matters. I have expressed at every meeting my own view that the Republican handling of the Vince Foster suicide is our highest moral ground. The right wing should be engaged on this issue. This is the one place where the press agrees with us. It is also one of our strongest shots against the Religious Right.

2. **Demonstrators.** I am concerned that we will be greeted with right wing demonstrators in the Committee or outside the House and Senate office buildings next week. I believe we should be asking Wilhelm or the Health Care Reform Project for some assistance with people of our own.

3. **Presidential Scheduling.** We need the President to be busy and involved with issues. We need him to avoid playing Commentator-in-Chief about the hearings. ~~I think we should discuss whether he does a press conference on Thursday or Friday to talk about the economy/health care/etc. before we go into the Whitewater maw.~~

4. **Office of Public Liaison.** I asked OPL for help in pulling together a contact strategy for supporters in Republican Banking Committee Congressional Districts to issue a "get back to business" strategy. OPL is not sure it can service Whitewater and Health care at the same time.

\*\*\*

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# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. report	Board of Directors Meeting (1 page)	04/17/1985	P6/b(6)
002a. letter	Jim McDougal to Charles D. Campbell (1 page)	11/08/1985	P6/b(6)
002b. letter	Charles D. Campbell to Governor Bill Clinton (3 pages)	09/30/1983	P6/b(6)
003. report	Federal Home Loan Bank Board (3 pages)	03/04/1986	P6/b(6)
004. memo	Jim McDougal to John Latham (4 pages)	07/01/1986	P6/b(6)
005. paper	Whitewater (1 page)	03/24/1994	P5 2547

### COLLECTION:

Clinton Presidential Records  
Communications  
Mark Gearan  
OA/Box Number: 7551

### FOLDER TITLE:

Whitewater [2]

Debbie Bush  
2006-0320-F  
db734

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

P1 National Security Classified Information [(a)(1) of the PRA]  
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]  
P3 Release would violate a Federal statute [(a)(3) of the PRA]  
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]  
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]  
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

b(1) National security classified information [(b)(1) of the FOIA]  
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]  
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]  
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]  
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]  
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]  
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]  
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

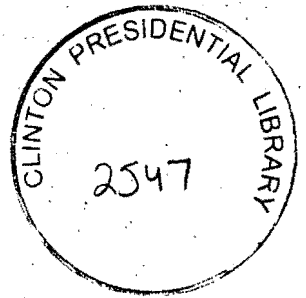
C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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**KEY POINTS ON WHITEWATER FOR PRESS CONFERENCE**  
(3-24-94)



Thematically, you want to use this press conference to try to segue from Whitewater onto the real business of government. At the same time though, you will inevitably get lots of Whitewater questions and there are some key points on Whitewater that you will want to make:

- **You and Hillary have done nothing wrong.** This whole affair involves an unsuccessful investment in a minor real estate deal nearly 16 years ago.
- **Defend HRC.** Stress her ethics and accomplishments as a lawyer and in doing public service work. A person whose life and career have exemplified highest ethical standards and integrity. No distance between you and HRC regarding Whitewater.
- **Full cooperation with the independent Special Counsel, whom you asked for.** You have cooperated in every way, turning over every scrap of paper the Special Counsel asked for -- some 14,000 pages. Special Counsel himself has described the White House as "very responsive and very cooperative."
- **Releasing 1977-79 tax returns and clarify extent of Whitewater loss.** During the campaign, you and HRC released tax returns back to 1980. But given concern about Whitewater, you have decided to release returns all the way back to 1977, your first year in public office. In addition, explain how you have now determined that about \$20,700 included in Lyons report as Whitewater loss was interest and principal payment on a loan related to your mother's house.
- **Cooperation with Congress.** You support the House and Senate resolutions saying that they are going to try to work out an appropriate arrangement for congressional hearings that do not conflict with the Special Counsel's investigation. You intend to cooperate fully with Congress. You and Hillary will provide any appropriate information should you be asked.

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# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. paper	RE: Priorities (3 pages)	n.d.	P5 2548
002. paper	Specific Questions and Answers on Whitewater; RE: Note [partial] (1 page)	n.d.	P5 - 1

### COLLECTION:

Clinton Presidential Records  
First Lady's Office  
Lisa Caputo (First Lady's Press Office)  
OA/Box Number: 10235

### FOLDER TITLE:

Documents to Independent Counsel; Documents Not Produced [2]

Debbie Bush  
2006-0320-F  
db2079

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

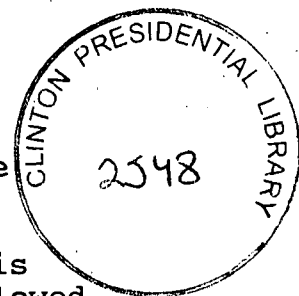
#### Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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## PRIORITIES

We must operate from a few premises if we are to be successful in getting the truth told.



How the story is handled, researched, and explained is critical to the President. The absolute rule must be followed, tell the truth and tell it as soon as possible; make no mistakes, any half truth, half white lie, or omission can be fatal; and be consistent, any changing of the story can become the story and create an environment from which extraction is impossible.

This issue must be addressed by a discrete team with a designated leader, and the team must be given the full resources necessary to develop and coordinate and implement a strategy. This issue must not be placed in a multiple individuals with leadership and accountability fragmented.

The team must do the following as soon as possible.

1. Ascertain the facts to the extent possible from records, interviews, and research.
2. Develop a comprehensive plan for the implementation of a counter attack, this will include the recruitment and preparation of Congressional, Cabinet, White House, and DNC surrogates to be available for response on an immediate basis.
3. The team must include legal, media, and political participation.
4. We must recognize that this issue could well be an entire year long endeavor in light of the time necessary to complete a through Justice Department review. In light of the other pending issues for the year, unless designated individuals are identified there will be competition for talent between Whitewater, Health Care, and other issues, and you can be certain that all issues will crunch at the same time.
5. We ought to consider finding a venue short of an independent or special prosecutor proceeding to make the relevant facts public, this might include the possibility of a Congressional hearing or a press conference. If we don't find a vehicle to make our case, then we are going to be forced into a response mode in which the pattern of charge, response, and analysis will occur with frequency through out the entire year. One advantage of the hearing, as opposed to a press conference, is an ability to get a fast resolution and to get on the offense sooner rather than later.
6. We have to go on the offensive, our story is not being told or published. Evidence which disproves the accusations and innuendos in the press will be suppressed or relegated to the final paragraph of the story after a headline, and columns on

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assumptions. We will not be in control if we spend all of our time simply reacting.

7. Gergen is the only guy in the building who has been through this kind of assault, he needs to be part of the analysis and part of the conversation with the media.

8. We do not need to get involved with a special counsel or independant prosecutor. There have been no accusations that any high official has done anything wrong, the conversation is premised on the public's right to know. There is however a difference between the public's right to know, and a proceeding in which someone is selected to "prosecute" when there has been no credible evidence offered to support even a probable cause of criminal activity.

### Specific Allegations

1. Madison G. S&L received favorable treatment from the Arkansas state savings and loan regulator because of the relationship between McDougal and Clinton. The S&L according to Jim Leach in the Des Moines Register of January 5, 1993 "was allowed to accept deposits and grow after being declared insolvent for five years." The same article refers to Leach's "questioning whether Clinton as Governor, used his influence to allow the state regulated thrift to continue to operate in shaky condition."

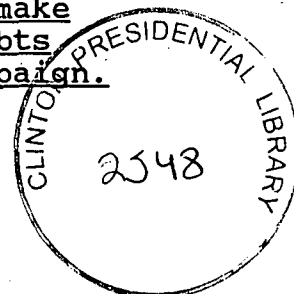
Part of this allegation revolves around the role of the Rose law firm and HRC in representing Madison before the Arkansas state regulator in the recapitalization plan put forth by McDougal to Bassett. There is also the question of the role, if any, played by McDougal in the selection of Bassett as the state regulator.

2. Savings and Loan funds were diverted by McDougal to the Whitewater Development. There are allegedly a number of McDougal related entities which made payments into the Whitewater account, allegedly from funds diverted from Madison, which were used to make payments on Whitewater debts. To the extent that funds were diverted from the S&L and used for the payment of Whitewater bills and debts, the Clinton's as co-owner received a benefit.

3. Savings and Loan funds were diverted by McDougal to Whitewater to pay off personal debt incurred by the Clintons. An allegation has been made that funds were diverted to Whitewater from Madison by McDougal using the vehicle of other McDougal controlled companies, and that in serial fashion these funds were then used by Whitewater to make payments on the loan for Lot 13 which was originally taken out by HRC personally and then refinanced in the name of BC.

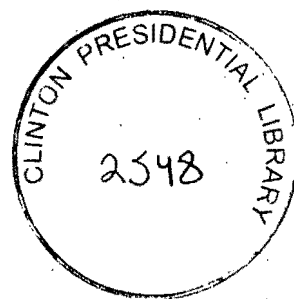
4. Savings and loan funds were diverted by McDougal to make political contributions to Clinton to pay off campaign debts including a personal loan made by Clinton to his 1984 campaign.

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A fundraiser was held in April 1985. Cashiers checks from Madison were given to the campaign at that fundraiser, and at least one individual has denied making the contribution. McDougal is reported to have stated that Clinton asked him to hold the fundraiser to pay off the debt. The remaining debt for the 1984 campaign was a loan to Clinton for television ads in the last weekend of the campaign.

5. \$110,000 of an unpaid \$300,000 SBA loan granted to Mrs. McDougal was used to retire debt on the Whitewater development. Clinton is accused of influencing the issuance of the loan by the Hale. Dallas Morning News editorial January 4, 1994.



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# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	David Kendall to Harold Ickes, et al.; RE: Wall Street Journal Article (1 page)	02/23/1994	P5 2549
002. memo	David E. Kendall to Bernard Nussbaum; RE: Time and Wall Street Journal Articles (2 pages)	02/07/1994	P5 2550

### COLLECTION:

Clinton Presidential Records  
First Lady's Office  
Lisa Caputo (First Lady's Press Office)  
OA/Box Number: 10236

### FOLDER TITLE:

Whitewater & Taxes

Debbie Bush  
2006-0320-F  
db2080

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

#### Freedom of Information Act - [5 U.S.C. 552(b)]

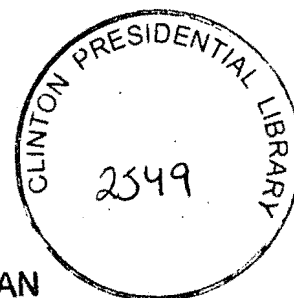
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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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~~ATTORNEY-CLIENT COMMUNICATION~~  
~~ATTORNEY WORK PRODUCT~~

February 23, 1994



DETERMINED TO BE AN  
ADMINISTRATIVE MARKING

INITIALS: OB DATE: 1/12/09  
2006-0320-F

TO: Harold Ickes  
Bruce Lindsey  
Lisa Caputo

FROM: David E. Kendall *DEK*

RE: Possible Response to WSJ Syndicated Article on 1980's Tax Deductions

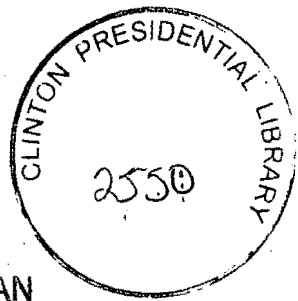
We don't want to increase the visibility of this story, which first ran in the WSJ on February 7 and which appeared in abbreviated form in the Arkansas Democrat-Gazette on February 21, but the suggestion of tax cheating (while wholly unfounded) is so damaging that some response may be in order. I defer to you all on what form that should take. We want to try to avoid a demand for documents.<sup>11</sup>

<sup>11</sup> I've examined the Executive Branch Public Financial Disclosure Report for 1992 which was filed sometime in the spring of 1993. It states that the Clintons "personally guaranteed" the 1978 mortgage loan (originally in the amount of \$182,611.20) which, the Report accurately states, was fully paid off in 1992. From the documentation I've seen, this is not strictly accurate: the Clintons and the McDougals were the primary obligors on this loan, not simply guarantors (although Chris Wade had assumed the major repayment responsibilities since 1985 by virtue of his purchase of several lots). In the extension of the loan dated July 15, 1988 (which ran until November 3, 1991), only the Clintons signed. It may be, however, that the Clintons also signed some guarantee late in the game which I haven't seen. In any event, the description on the Report does not seem to me to be a problem (by the time the Report was filed, the loan was all paid off and, technically, a "guarantor" is an obligor).

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ATTORNEY-CLIENT COMMUNICATION  
ATTORNEY WORK PRODUCT

February 7, 1994



DETERMINED TO BE AN  
ADMINISTRATIVE MARKING

INITIALS: JB DATE: 1-12-09  
2006-0320-F

TO: Bernard Nussbaum, Esq.  
Bruce Lindsey, Esq.

FROM: David E. Kendall, Esq. *DEK*

RE: Possible WH Responses to Today's Time and WSJ Articles

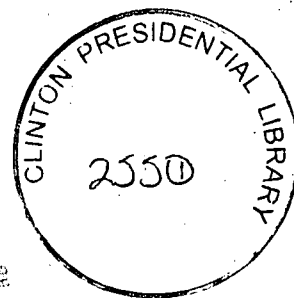
What follows are two possible responses to these articles.  
I think some response is warranted simply to try to keep the  
issue from snowballing. We don't want to attack McDougal.

Version I

The Clintons were personally liable on three Whitewater-related bank loans until the loans were paid off, as they have been in 1985, 1988, and 1992. In the early years, the Clintons made certain interest payments on these loans. These payments were claimed as interest deductions on their personal tax returns, which were prepared and filed each year by an independent CPA. The Clintons' tax returns were audited in 19-- by the IRS, and no changes were required. In 1992, another independent CPA reviewed available Whitewater records and the Clintons' tax treatment of interest they had paid. This review identified two and only two instances where, because of the receipt of "interest-paid" statements from a bank, a small interest deduction had been erroneously claimed on the Clintons' tax returns that in fact belonged to the company. Although the 1984 and 1985 tax years have been closed for some time, the Clintons have fully reimbursed the gov. for these deductions, including interest and penalties. They are fully cooperating

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PRESERVATION PHOTOCOPY

with the Special Counsel and believe they have complied completely with IRS requirements in an area which, as Time magazine observes, "involves some of the most obscure arcana in the tax code."



Version II

In 1978, the Clintons and the McDougals borrowed \$203,000 to acquire 230 acres in northern Arkansas, and they were and remained personally liable for repayment of these loans. The loans were initially at a rate of 10%, although this rate subsequently increased. The Clintons' half-share of the interest expenses was originally about \$10,000--\$11,000 annually. They paid, out of their own resources, over \$10,000 for interest in 1978, over \$10,000 in 1979, and over \$13,000 in 1980. The canceled checks reflecting these payments were turned over to the CPA's who prepared the Clintons' tax returns, and the payments were duly reported as interest deductions. Neither the Clintons nor their professional accountants saw any reason to think that these deductions were in any way inappropriate. The Clintons are fully cooperating with the Special Counsel and believe they have complied completely with IRS requirements in an area which, as Time magazine observes, "involves some of the most obscure arcana in the tax code."

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PRESERVATION PHOTOCOPY

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Paul Begala to Lisa Caputo; RE: Some Thoughts (4 pages)	03/11/1994	P5 2551
002. paper	RE: Key Points (3 pages)	n.d.	P5

### COLLECTION:

Clinton Presidential Records  
First Lady's Office  
Lisa Caputo (First Lady's Press Office)  
OA/Box Number: 10236

### FOLDER TITLE:

Whitewater Q & A for Guidance

Debbie Bush  
2006-0320-F  
db2081

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

#### Freedom of Information Act - [5 U.S.C. 552(b)]

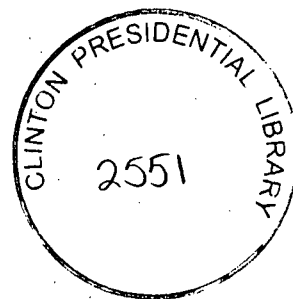
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# Carville & Begala

## MEMORANDUM

TO: LISA CAPUTO  
FROM: PAUL BEGALA  
RE: SOME THOUGHTS ON AN INTERVIEW  
DATE: MARCH 11, 1994



I think it is important that the President and First Lady do a joint television interview in prime time, with a network anchor, as soon as possible. As we prepare for such an interview, there are a few things to think about:

### STYLE

In this situation, the Clintons' attitude is their message. They must be relaxed, open and forthcoming. Any sense of bitterness, anger, or righteous indignation will not work. No matter how justified some of our feelings on this may be, this will be the first time most Americans will hear directly from the President and First Lady. Discussion of plots, pain and personal injustice could strike some viewers as self-serving or just plain weird. **The most important point to stress is that we have nothing to hide; we are fully complying with an independent investigation -- and the Clintons' entire bearing must reinforce that.** The style each of them showed in the East Room staff meeting, and that the President showed in the Lloyd Cutler press conference, are the models.

A word about interaction: Mandy observes that in many joint interviews, the President defers to the First Lady. This may or may not be real, and it might be as simple as Southern manners, but it's important that the President take the lead on this issue.

### SUBSTANCE

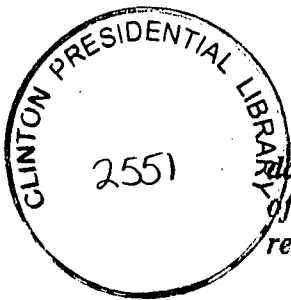
While I'm sure that you, Gergen and Georgie will do all you can to ensure that real issues like health care are covered, we all know the news here is their Whitewater defense. (By the way, this would be a good time to recall the lesson of "60 Minutes" -- let's do this live-to-tape. Don't let them edit us.)

Here are a few of the topics we should be prepared to cover:

- ◆ **ARKANSAS ATMOSPHERE:** Was Little Rock in the Clinton Era the home of high-flying bond daddies -- Bentley-driving quick buck artists who manipulated the system by trading on an incestuous web of influence -- with the Rose Law Firm at its hub? (You know this line of attack: small state, incestuous relationships, undue influence.)

**FACTS:** *Bill Clinton served longer than any Governor of his time without a hint of scandal. He operated in an intensely competitive press and political environment every*

<sup>1</sup>  
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day of his life. He took on the vested interests in his state, and went over the heads of his Legislature, to pass political reform by initiative. He is deeply proud of his record, his state and his people.

- ◆ **HILLARY AT THE BAR:** Wasn't it improper for the wife of the Governor to practice law -- especially before regulators and judges who owed their jobs to her husband -- and extra-especially when Hillary was rumored to have been influential in making such appointments? (Jerry Brown tried this one in the Illinois primary.)

*FACTS: Hillary met the highest standards of legal ethics. Steven Gillers, the respected expert on ethics at NYU Law School, has said Hillary's representation of Madison posed no conflict of interest. Other legal ethicists have said so as well. (We're compiling clips.) Hillary did not do legal work for the State of Arkansas, which would have been a more direct conflict of interest. In fact, she went above and beyond the call of duty, refusing to share in the profits the firm earned from representing State Government.*

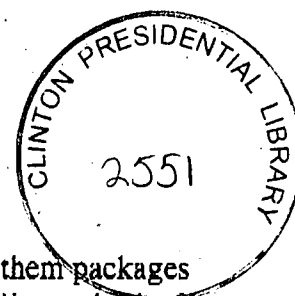
*The Clintons' were dealing with many of the same issues as every two-career couple in America. Besides, Hillary was one of the lowest-paid partners at the Rose Law Firm, because of her commitment to charities like the Children's Defense Fund, and her one-dollar-a-year job working on education reform.*

- ◆ **VINCE'S DEATH AND THE CIRCUMSTANCES SURROUNDING IT:** Why did Vince Foster take his life? Why were Maggie Williams, Patsy Thomasson and Bernie Nussbaum in his office after learning of his suicide? Why did he have documents relating to Whitewater? Why weren't those documents turned over to the authorities investigating his suicide? Why did your staff conceal the existence of a suicide note for several days? Why did your staff conceal the fact that they took Whitewater files out of Vince's office? Why haven't the ballistics tests been released? Why were paramedics who raised questions about the position of the body silenced by their bosses? Was there a "safe house" apartment in Virginia in which Vince died? Do you believe he was murdered?

*FACTS: Suicide is the ultimate irrational act. If you try to apply rational reason to it you will be frustrated. It's not ever fully possible to know what's going on in the mind, heart and soul of someone who is in such pain. Vince was suffering from depression. He was overwhelmed by the scrutiny and the intensity of life in Washington. We were all heartbroken by his loss, and everyone cooperated fully with the proper authorities as they were conducting the investigation. There was no "safe house". (Can you imagine Mack McLarty sitting in a bean-bag chair, drinking a can of beer and listening to Jimi Hendrix with David Dreyer?) There will always be questions surrounding a suicide -- especially of someone who worked in the White House. But the Independent Counsel has agreed to look into this, and I think we*

<sup>2</sup>  
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should all just let him do his job.



- ◆ **SHREDDING:** Couriers have reportedly testified that Mrs. Clinton gave them packages filled with documents, and asked her to shred them. Why would Mrs. Clinton do that? And why would the Rose Law Firm begin aggressively shredding files during the Presidential campaign, and continue shredding Vince Foster's files a few weeks ago?

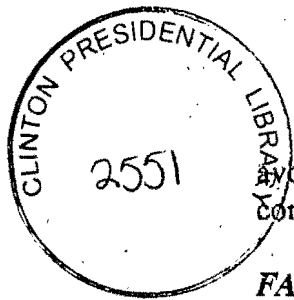
*FACTS: Mrs. Clinton has never asked anyone to shred anything. All law firms routinely destroy old documents they no longer need. The Rose Law Firm has a committee, of which Mrs. Clinton was not a member, which determines which records are no longer needed to be kept on file. The firm has told the press that any files belonging to Vince were merely internal minutes of partners' meetings and the like. [NOTE: WE NEED TO DOUBLE-CHECK THESE FACTS.]*

- ◆ **WHITE HOUSE CONTACTS WITH THE RTC AND TREASURY:** Congressman Jim Leach has said that the contacts between your staff and the RTC and Treasury officials indicate "possible illegal actions committed in office. Obstruction of justice is now clearly an issue." Why did your staff have these meetings? Isn't it improper? After all, no other normal person mentioned in a criminal referral would be entitled to a "heads-up" from the head of the RTC.

*FACTS: Every person who attended those meetings will be interviewed by the Independent Counsel. Neither the President nor the First Lady were made aware of the meetings, although the President recalls being told about an RTC referral on Madison in October. Clearly, those meetings looked bad and therefore should not have happened. The President subsequently took decisive action, including ordering his chief of staff to construct a "firewall", prohibiting his staff from contacting RTC officials on this matter, and bringing respected Lloyd Cutler aboard as Special Counsel to the President. Don't forget, the only reason we ever found out about those meetings is because Roger Altman volunteered that information to Congress. Roger has made it clear that in those meetings no non-public information was discussed, and the same briefing that had been given to the White House staff had already been given to Senate Republican staffers and members of the media. Still, it looks bad, and it was a mistake.*

- ◆ **HRC's ROLE IN THE WHITE HOUSE:** Not since the days of Robert Kennedy has a Presidential family member wielded such power -- and a President can fire his brother; he can't fire the First Lady. Michael Barone has written that Mrs. Clinton's role in hiring Bernie Nussbaum, the Zoe Baird, Kimba Wood and Lani Guinier debacles, Travelgate, and health care have made her a political liability. Moreover, some suggest it is hard to disagree with her; that she has "frozen out" David Gergen and other moderates. Conservative commentators have depicted her as a leftist feminist who has cowed the White House staff and pursued a hidden ideological crusade, while seeking to

<sup>3</sup>  
COPY



avoid accountability and scrutiny by playing the role of wife when it's politically convenient. How do you respond to that?

**FACTS:** Every First Lady has had her share of controversy. Eleanor Roosevelt, Rosalynn Carter, Betty Ford, Nancy Reagan, Barbara Bush -- all had their critics. But Hillary is the first First Lady to come to the job from a distinguished career of her own, independent of her husband's. Like many two-career couples, the Clintons have had to find their own way in uncharted waters, juggling career and family. The Clintons have been utterly honest and up-front about Hillary's role -- just as they were when she headed-up the education reform effort in Arkansas. Unlike other senior aides, like Mack McLarty, David Gergen and George Stephanopoulos, Hillary has testified before Congress, helping explain the President's approach to health care. She has been fully accountable and received more, not less, scrutiny because she is the President's wife as well as senior advisor. And the American people approve of the job she's doing. Just this week the CNN-Gallup poll said 67% of the American people thought Hillary was a good role model -- as high a praise as one could receive.

◆ **THE MEDIA:** Why has there been so much stonewalling, footdragging and stiffing the press on Whitewater? Do you think the press is unfair to you? Do you hate the press?

**FACTS:** We don't hate the press. The media have their job to do and the Clintons' have theirs. It's not right to treat the media as a monolith -- just like every profession, there are people who do a good job and some who don't.

But you have to admit, as your aides have, that you all made some big P.R. mistakes in this. You could have turned over everything to the press two years ago. You could have agreed to an independent counsel much sooner. You could still turn over all the documents to the press. Will you?

**FACTS:** When you've done nothing wrong, and you're accused of doing something wrong, your first reaction is not to call for a prosecution of yourself. It's only human nature to want to defend your reputation -- and that's all we were doing. We have turned over every scrap of paper we could find on Whitewater -- we ordered all 400 employees of the White House to stop emptying their trash so as to preserve every piece of paper possible. We have waived every privilege to which we were entitled: Executive Privilege, the attorney-client privilege, the work-product privilege, the accountant-client privilege -- everything. The level of cooperation has been total. All of those papers are in the hands of the Independent Counsel and his staff. They have the legal responsibility to get to the bottom of this, and will issue a report to the American people. He has his job to do, and we have ours. Now it's time to get back to work.

<sup>4</sup>  
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# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. list	RE: Index of Documents (4 pages)	n.d.	P5 2552
001b. draft	RE: Draft Q & A's (33 pages)	03/07/1994	P5 2553
001c. paper	RE: Secretary Bentsen (1 page)	1992	P6/b(6)

### COLLECTION:

Clinton Presidential Records  
 First Lady's Office  
 Lisa Caputo (First Lady's Press Office)  
 OA/Box Number: 10236

### FOLDER TITLE:

[Whitewater] [3]

Debbie Bush  
 2006-0320-F  
 db2082

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

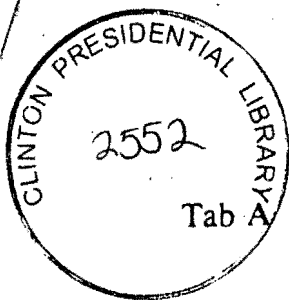
Freedom of Information Act - [5 U.S.C. 552(b)]

P1 National Security Classified Information [(a)(1) of the PRA]  
 P2 Relating to the appointment to Federal office [(a)(2) of the PRA]  
 P3 Release would violate a Federal statute [(a)(3) of the PRA]  
 P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]  
 P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]  
 P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

b(1) National security classified information [(b)(1) of the FOIA]  
 b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]  
 b(3) Release would violate a Federal statute [(b)(3) of the FOIA]  
 b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]  
 b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]  
 b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]  
 b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]  
 b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.  
 PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).  
 RR. Document will be reviewed upon request.

COPY



## Index of Documents Attached to Mr. Leach's Statement

Draft Q's and A's prepared for The Honorable Lloyd Bentsen prior to his appearance before the House Appropriations Committee on March 8, 1994. These are Jean Hanson's comments to the drafts. Significantly, the Hanson comments suggest that Bentsen was: 1) told of the criminal referrals in September, 1993; 2) consulted in advance about the February 2, 1994, White House meeting attended by Altman and Hanson; and, 3) received a briefing on the statute of limitations in February, 1994, similar to the one given the White House. Finally, the drafts indicate that there was a fourth White House meeting on February 3, 1994 attended by Mr. Altman. The comments "not seen by Secretary" are written by Michael Levy on the morning of the March 8, 1994.

### TAB B

In a March 20 draft of Q's and A's for Bentsen, a proposed answer is inserted using the investigation of Special Counsel Fiske as an excuse not to respond.

### TAB C

In what is believed to be Secretary Bentsen's own handwriting, this document suggests that he was not invited to a White House meeting on Whitewater/ Madison by Christine Varney (White House Secretary to the Cabinet), held in early January, 1994, because of his position as Chairperson of the Thrift Depositor Protection Oversight Board.

### TAB D

These documents relate to Bentsen's answer at a March 10 hearing before House Appropriations. Bentsen declined to answer if he knew about any of the meetings in advance. Instead, Bentsen said that on advice of Fiske, he could not answer. Later Fiske writes that "he is not instructing or advising any member of the Administration to testify before Congress." A March 20 draft of Bentsen's Q's and A's testimony indicates that Bentsen never personally talked to Fiske.

### TAB E

A September 30, 1993, memo from Jean Hanson to Roger Altman indicates that she told Bentsen about the Rose Law Firm matters shortly after her briefing with Roelle. Also, she writes that she has told Nussbaum and Sloan at the White House. Finally, she states, she has asked Bill Roelle of the RTC to keep her informed, and asks Altman, "is there anything else we should be doing?"

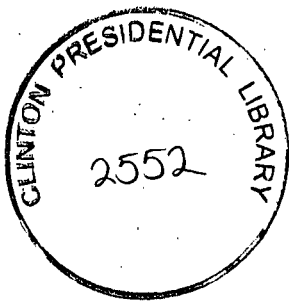
### TAB F

Hanson's schedule on February 1, 1994. Indicates a meeting with Secretary Bentsen.

### TAB G

This document is from a retrieved computer file at the Department of the Treasury. At the bottom of the January 7, 1994, memo to

COPY



**TAB H**

Altman, Hanson notes that the coordination between the White House and Justice on these issues by definition raises legal issues that must be addressed. Hanson also states that she does not understand why there is no White House lawyer on the "team." According to her, the "team" needs legal advice from competent lawyers with damage control experience.

Jean Hanson "To Do" list and notes. This document indicates contacts with Bill Roelle from the RTC. The document also shows a series of phone calls with Roelle and with White House personnel. The October 15 entry indicates a contact with Glion Curtis, then acting General Counsel for the RTC.

**TAB I**

Two sets of talking points for Roger Altman for the White House February 2, 1994, meeting. One set indicates that the recusal issue was on the agenda.

**TAB J**

Document produced from the office of Bruce Lindsey, Assistant and Senior Advisor to the President of the United States. The handwritten notes are those of Lindsey, recounting his version of what occurred at the February 2, 1994, meeting between Treasury and White House officials. The notes indicate that Ms. Maggie Williams, Chief of Staff for the First Lady of the United States, asked Altman if the RTC would brief the privately-retained attorneys of the legal process regarding the statute of limitations as applicable to Madison Guaranty Savings and Loan.

**TAB K**

A retrieved computer file of Jean Leary, Department of the Treasury. A summary of the February 2, 1994, meeting in which Altman is asked to brief the President's lawyer. He later asks Ellen Kulka if this would be appropriate, and she says in "due course." Previous news accounts had implied that Kulka said no.

A retrieved computer file of Robin Webb, Department of the Treasury. The document indicates that Altman briefed Secretary Bentsen in February regarding Madison, and told Bentsen he would not recuse himself.

**TAB L**

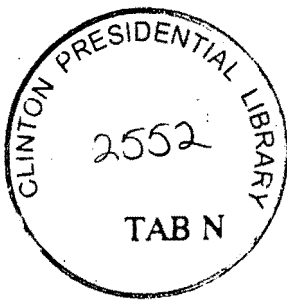
Bruce Lindsey's memo of October 20, 1993, to file recording the topics discussed at the October 14th meeting. The memo includes information obtained by Lindsey from a democratic office in Little Rock on campaign contributions. Maggie Williams and Bill Kennedy are copied on the memo.

**TAB M**

From the files of Dee Dee Meyers, this document recounts the "Tic Toc" of White House meetings.

Also, under this tab, are Cliff Sloan's notes, relating events from

**COPY**



telephone conversations with Jean Hanson on September 30, 1993, and October 7, 1993. Also, a memo to Bruce Lindsey from Cliff Sloan on October 7, 1993.

Handwritten notes of Bruce Lindsey about conversations with Lindsey, Sloan, and Eggleston, and handwritten notes of Bruce Lindsey of a meeting on October 14, 1993.

TAB O

Associate Counsel Cliff Sloan's phone bill returning call of Eugene Ludwig seeking information on Madison Guaranty so he could talk to the President, both of whom were attending the Renaissance weekend.

TAB P

White House Staff Secretary John Podesta phone logs of contacts with the Treasury Department about Whitewater and Madison.

TAB Q

Roger Altman faxes to Bernie Nussbaum articles about Whitewater in March, 1993. This is approximately a week after Bill Roelle informs Altman of the 1992 criminal referral, during the first meeting he chairs at the RTC after being approved as Acting CEO.

TAB R

This document indicates that the Treasury Department's Assistant Secretary for Public Affairs, Joan Logue-Kinder, told the RTC's public affairs director, Steve Katsanos, to call the First Lady's press secretary.

TAB S

Jack Ryan letter to Jim Leach. Roger Altman said that the briefing he gave to the White House on February 2, 1994 was similar to others that had been provided to the press and the Congress. Leach wrote Ryan asking who else received that briefing in the Congress. Ryan's letter suggests that these meetings were similar. In fact, a Hanson to Altman memo indicates that the only similar briefing was one phone call with a Senate Banking Committee staff person. An internal RTC memo indicates that all of the other meetings concerned document requests.

TAB T

Memorandum from Eugene Ludwig, head of the OCC in response to the Grand Jury subpoena. Ludwig states that the President asked him to help out with Whitewater during the Renaissance New Year's Weekend 1993/1994.

FOIA requests from the Washington Post and Baltimore Sun that Ludwig faxed to the White House on December 12, 1993.

TAB U

Excerpts from diary of Josh Steiner.

TAB V

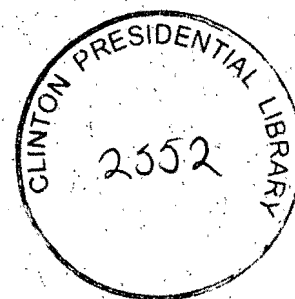
Excerpts from diary of Roger Altman.

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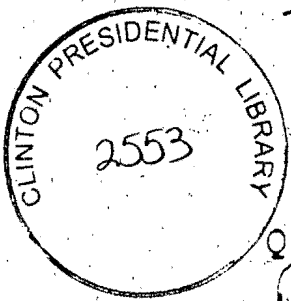
TAB W

Draft of March 3 Press Statement of Lloyd Bentsen, believed to be in his own handwriting.

The actual statement Bentsen delivered on March 3, 1994.



**COPY**



To: Dennis Foreman

3/7/94

These are my comments.  
D R A F T -- March 7, 1994

Q. What do you know about Madison Guaranty?

Please see that Secretary Bentsen  
receives a copy. Jean Hanson

A. I know nothing about the details of Madison

Guaranty, ~~other than what I have read in the press.~~

As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

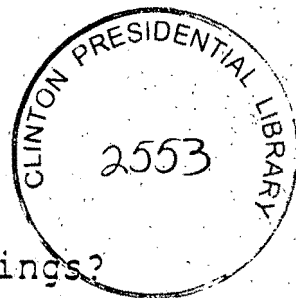
[Background: The Conference Report accompanying FIRREA (Aug. 4, 1989), provides at page 410:

"The Oversight Board will review and have overall responsibility for the RTC's activities. The Oversight Board will not, however, be involved in or responsible for case specific matters involving individual institutions, specific asset dispositions or generally the day-to-day operations of the RTC."]

- 12 -  
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41

1090

D R A F T -- March 7, 1994



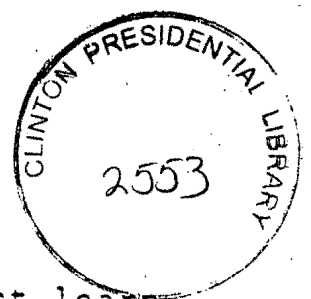
Q. When did you first learn about these meetings?

A. [Your answer.]

see p. 27

<sup>13</sup>  
COPY  
A1

1091



D R A F T -- March 7, 1994

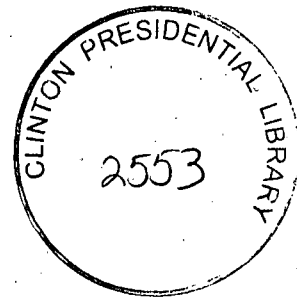
Q. When did Treasury's ethics officials first learn of these meetings? Did they approve the meetings?

A. ~~I don't know~~ and I have not conducted my own fact-finding on this. I have directed Treasury's staff to cooperate fully with OGE to assemble ~~and~~ the facts and circumstances concerning these meetings.

I understand that the Treasury's ethics officer was consulted with respect to the Third meeting before it occurred.



D R A F T -- March 7, 1994



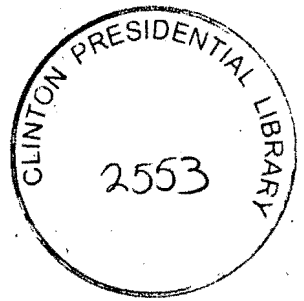
Q. What was said in these meetings?

A. As I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

**COPY**

D R A F T -- March 7, 1994

JOSHUA STEINER



Q. Mr. Steiner is your chief of staff. He didn't tell you about the meetings?

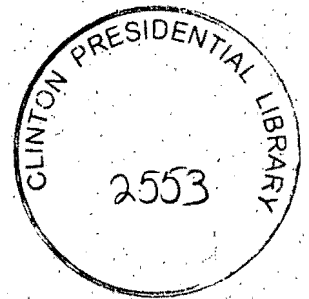
A. Mr. Steiner ~~-- and my entire staff~~ is well aware that the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

*I don't know  
if this is true.*

16  
COPY

1094

D R A F T -- March 7, 1994



Q. Why would Mr. Steiner be involved in RTC matters?

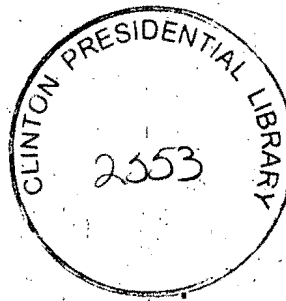
A. Mr. Steiner is not involved in RTC matters. He is, however, responsible for liaison between the Treasury Department and the White House -- and attends many meetings with White House staff.

Q. Why would Mr. Steiner be involved in meetings with the White House?

A. One of Mr. Steiner's responsibilities is to serve as liaison between the Department and the White House. He attends many meetings with White House staff.

- 17 -  
**COPY**  
A.

1095



Insert 18A

I now believe that Ms. Hanson and Mr. Altman consulted with me in advance of the White House meeting on February 2, 1994, that was the subject of Mr. Altman's February 24 Senate testimony. I had not previously recollected that discussion.

Oral written  
by Jan Hanson  
not seen by  
Secretary

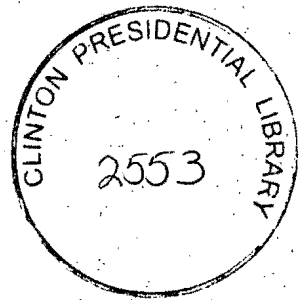
Must not  
see

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1096

D R A F T -- March 7, 1994

JEAN HANSON



Q. Ms. Hanson is your General Counsel. She didn't tell you about the meetings?

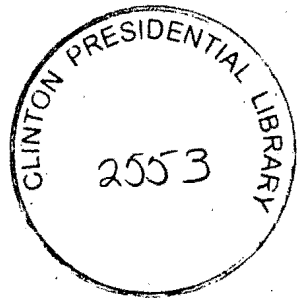
*Insert 18A*  
A. ~~Ms. Hanson and my entire staff is well aware that the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.~~

Q. Why would Ms. Hanson be involved in RTC matters?

A. *From the outset of Mr. Altman's appointment as*  
~~In the absence of an RTC general counsel and interim CEO of the RTC he involved a limited number of Treasury staff to provide support as was providing legal assistance to Roger Altman in his temporary capacity as CEO of the RTC.~~  
*because there was no deputy*  
*General Counsel and the Deputy CEO, and more of his attention was required.*

COPY

D R A F T -- March 7, 1994



Q. Why would Ms. Hanson be involved in meetings with the White House? on Madison Guaranty.

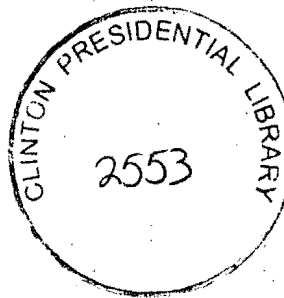
*My understanding is that*

A. ~~Ms. Hanson is a senior official in the Administration and has numerous contacts with senior officials throughout the Administration, including the White House.~~

*Ms. Hanson attended three ~~meetings~~ White House meetings regarding Madison ~~as the result~~ of requests by senior Treasury officials or as a result of a determination by senior Treasury officials that her attendance was appropriate.*

- 19 -  
**COPY**  
Da

1098



Insert 18A

I now believe that Ms. Hanson and Mr. Altman consulted with me in advance of the White House meeting on February 2, 1994, that was the subject of Mr. Altman's February 24 Senate testimony. I had not previously recollected that discussion.

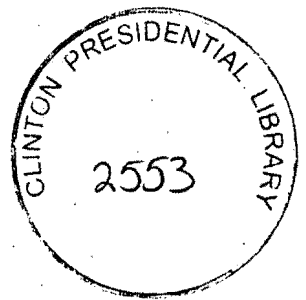
*Draft -  
not seen  
by Sender*

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A

1000

D R A F T -- March 7, 1994

ROGER ALTMAN



Q. Mr. Altman is the Deputy Secretary of the Treasury.  
He didn't tell you about the meetings?

A. Mr. Altman ~~and my entire staff~~ is well aware  
that the Oversight Board is statutorily responsible  
for reviewing the overall strategies, policies and  
goals of the RTC. It does not have any authority  
to involve itself in case-specific matters such as  
Madison Guaranty.

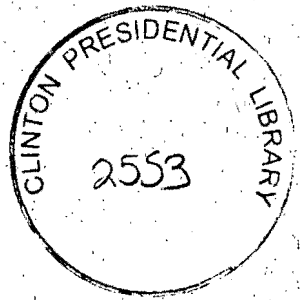
See 18A

- 20 -  
COPY  
A.

1100



D R A F T -- March 7, 1994

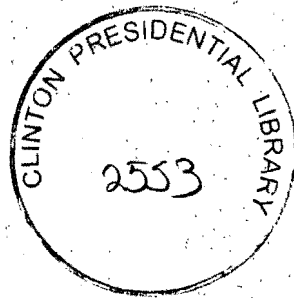


Q. Why would Mr. Altman be involved in RTC matters?

A. Mr. Altman is the ~~temporary~~ <sup>interim</sup> CEO of the RTC. In that capacity he is involved in RTC matters.

COPY  
4

D R A F T -- March 7, 1994

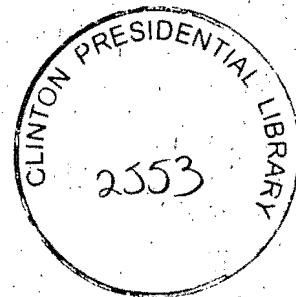


Q. Why would Mr. Altman be involved in White House meetings?

A. Mr. Altman is a senior official in the Administration and has numerous contacts with senior officials throughout the Administration -- including the White House.

- 22 -  
**COPY**

1102



D R A F T -- March 7, 1994

JACK DEVORE

Q. Mr. DeVore was a long-time aide to you before you became Treasury Secretary. He didn't tell you about the meetings?

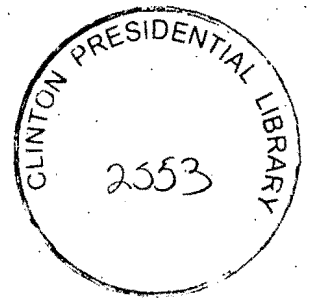
A. Mr. DeVore was ~~and my entire staff is~~ well aware that the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

*I don't know  
if this is  
correct.*

- 23 -  
COPY

1103

D R A F T -- March 7, 1994



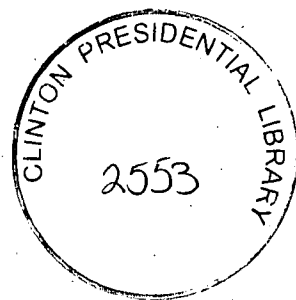
Q. Why would Mr. DeVore be involved in RTC matters?

A. He is not involved in RTC matters.

- 24 -  
**COPY**

1104

D R A F T -- March 7, 1994

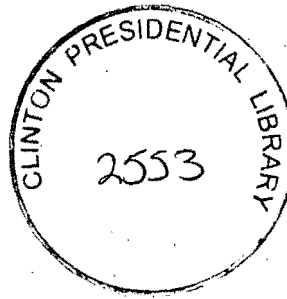


Q. Then why would Mr. DeVore be involved in White House meetings on Madison Guaranty?

A. It is my understanding that Treasury had received press inquiries concerning Madison Guaranty, presumably because Mr. Altman was the interim CEO of the RTC.

<sup>-25</sup>  
**COPY**  
*A.1*

1103



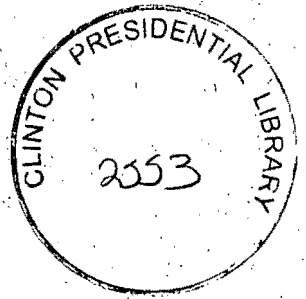
Insert 18A

I now believe that Ms. Hanson and Mr. Altman consulted with me in advance of the White House meeting on February 2, 1994, that was the subject of Mr. Altman's February 24 Senate testimony. I had not previously recollected that discussion.

not seen  
by sending -  
Draft

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A-

D R A F T -- March 7, 1994



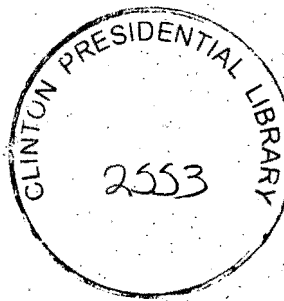
Q. Did you know of the meetings before they occurred?

A. ~~No, and I don't find anything wrong with that because as Chairman of the Oversight Board -- and my staff knows this -- I am precluded from becoming involved in case-specific matter such as Madison Guaranty.~~

*See Insert 18A*

**COPY**

1107



Insert 18A

I now believe that Ms. Hanson and Mr. Altman consulted with me in advance of the White House meeting on February 2, 1994, that was the subject of Mr. Altman's February 24 Senate testimony. I had not previously recollected that discussion.

*Alt -*

*not rec.*

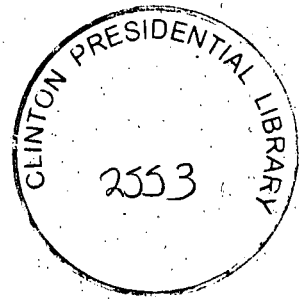
*by Security*

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*A*

1105



D R A F T -- March 7, 1994



Q. When did you find out about the meetings?

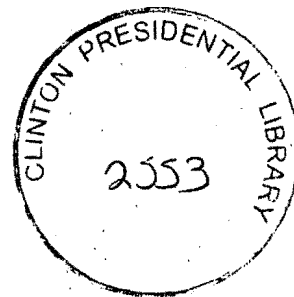
A. [When I heard about them in the media.] *Incorrect*

*See Insert 18A.  
Others? I know he  
learned about the two fall  
meetings prior to learning  
about them in the media.*

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1109

D R A F T -- March 7, 1994

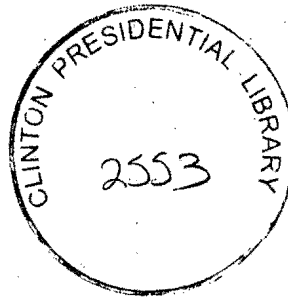


Q. Once you knew about the meetings, what did you find out about them?

A. I only know what I've seen in the media. As Chairman of the Oversight Board -- and my staff knows this -- I am precluded from becoming involved in case-specific matters such as Madison Guaranty.

*I don't know  
whether this is  
accurate.*

COPY *A11*



Insert 18A

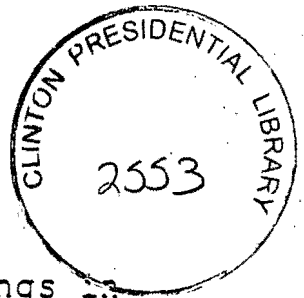
I now believe that Ms. Hanson and Mr. Altman consulted with me in advance of the White House meeting on February 2, 1994, that was the subject of Mr. Altman's February 24 Senate testimony. I had not previously recollected that discussion.

*Duff*  
*not seen*  
*by Sandy*

**COPY** *7/2/97*

1111

D R A F T -- March 7, 1994



Q. How come you didn't know about these meetings in advance? Would you have approved them?

See  
insert  
18A

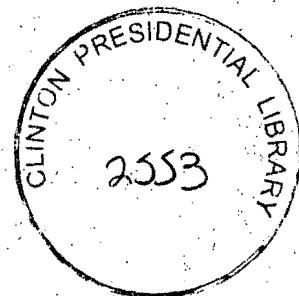
A. I did not know about these meetings in advance because there is no need for me to know about an area in which Congress has specifically instructed me as Chairman of the Oversight Board not to become involved.

Would I have approved the meetings had I known of them in advance? I am not going to deal in hypotheticals, but as President Clinton has said, in retrospect it would have been best for all concerned if these meetings had not taken place.

[Background: The Conference Report accompanying FIRREA (Aug. 4, 1989), provides at page 410:

"The Oversight Board will review and have overall responsibility for the RTC's activities. The Oversight Board will not, however, be involved in or responsible for case specific matters involving individual institutions, specific asset

COPY *A42*

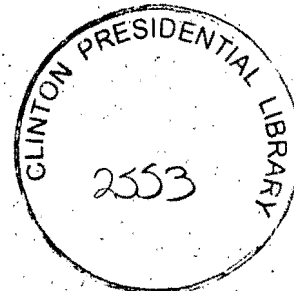


D R A F T -- March 7, 1994

dispositions or generally the day-to-day operations  
of the RTC."]

COPY <sup>30</sup> A<sub>34</sub>

1113



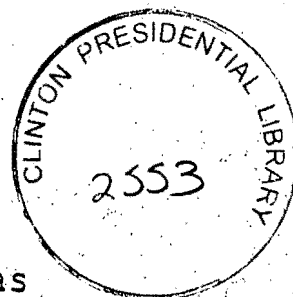
D R A F T -- March 7, 1994

Q. Will you make OGE's report public?

A. Yes, as long as it's okay with the Special Counsel.

COPY *A25*

D R A F T -- March 7, 1994



Q. The White House Counsel Bernard Nussbaum has resigned as a result of these meetings. Shouldn't Treasury's Deputy Secretary, General Counsel and Chief of Staff -- who participated in these meetings -- also resign?

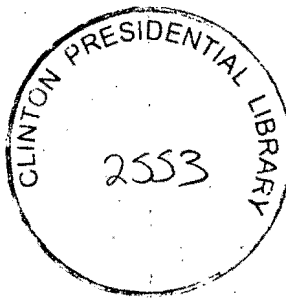
A. I can't say why Mr. Nussbaum resigned -- that is something for him to say. I see no reason for Roger Altman, Jean Hanson or Josh Steiner to resign. As I said last Thursday, they have my full confidence. I have asked the OGE to review the facts and circumstances surrounding this matter and report back to me.

Add insert 32A

32B

32C

COPY A<sub>11</sub>



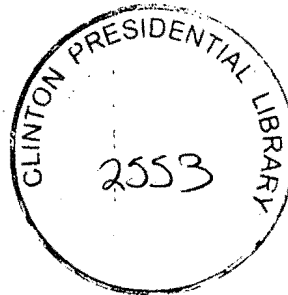
Insert 32A

Q: Why did Ms. Hanson not interrupt Mr. Altman at the February 24 Senate Hearing and remind him of the meetings last fall?

A: I have not discussed this with Ms. Hanson, but knowing her as I do, I am satisfied that there was no intention of concealing any information.

COPY *4-7*





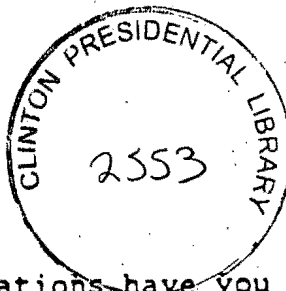
Insert 32B

Q: Are you aware of any other meetings or conversations about Madison Guaranty with the White House?

A: I understand that there was a fourth meeting February 3 which Mr. Altman attended but Ms. Hanson did not. [The Secretary should consult with Mr. Altman on this meeting.] [Any other conversations, to the Secretary's knowledge?]

*Griff -*  
*Secret*  
*ven*

COPY *A*



Insert 32C

Q: What conversations have you had with Deputy Secretary Altman on Madison Guaranty situation?

A: Mr. Altman and I have had several brief conversations relating to Madison Guaranty.

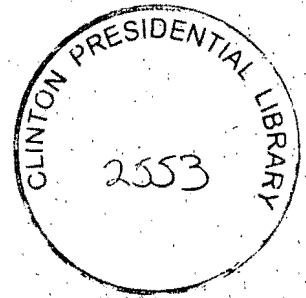
- o In late September, I believe, he told me that there was a possibility that criminal referrals might be made by the RTC that could receive press attention. [Correct?]
- o Early this month he and Ms. Hanson described to me generally the process the RTC was undertaking in its review of Madison Guaranty in light of the then impending February 28th date. He also told me that he had received congressional inquiries suggesting that he recuse himself from the decision. He said that he intended to recuse himself and was going to talk with the White House.
- o Sometime after that, he told me that he had decided that he would not recuse himself.

COPY

A19

1115

**D R A F T - March 8, 1994**

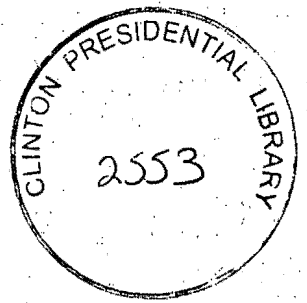


**Q. When did you first learn about these meetings?**

**Hanson's suggested answer:**

**A. I now believe that Ms. Hanson and Mr. Altman consulted with me in advance of the White House meeting on February 2, 1994, that was mentioned by Mr. Altman in his February 24, 1994 testimony. I had not previously recollected that discussion.**

**D R A F T - March 8, 1994**



**Q. When did you first learn about these meetings?**

**Alternative answer 1:**

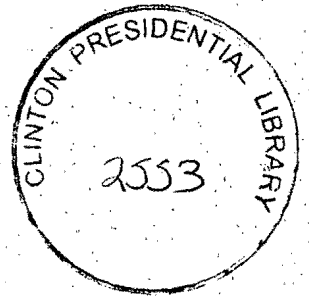
**A. I'm almost certain that I didn't learn about the fall meetings until the same time the media did. After continued reflection, I am not certain whether I was told about the February meeting before it occurred.**

**- 15 -**

**COPY**

**115S**

**D R A F T - March 8, 1994**

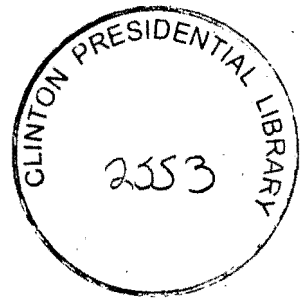


**Q. When did you first learn about these meetings?**

**Alternative answer 2:**

**A. I don't believe I knew about any of them until sometime within the last couple of weeks.**

**D R A F T - March 8, 1994**



**Q. What was said in these meetings?**

**A. As I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.**

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. paper	RE: Whitewater issues (3 pages)	n.d.	P5 3012
002. paper	Priorities; RE: Whitewater (3 pages)	n.d.	P5

### COLLECTION:

Clinton Presidential Records  
Intergovernmental Affairs  
Kevin O'Keefe  
OA/Box Number: 9125

### FOLDER TITLE:

Whitewater [4]

Debbie Bush  
2006-0320-F  
db2084

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

#### Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

# COPY

CLINTON PRESIDENTIAL LIBRARY  
3012

When the Congress reconvenes on January 25, 1993, there is going to be a firestorm of comment on the Whitewater issue. For the past few weeks, the members of Congress and the Senate have been bombarded in town hall meetings called to address Health Care and Welfare Reforms with comment after comment on Whitewater. When the Congress returns, Senator after Senator and Congressman after Congressman will be calling for an immediate vote on the Special Prosecutor bill and calling for the Attorney General to implement the provisions of whatever is passed. We have until the day that Congress reconvenes to determine a course of action.

The Whitewater story is just that, a press story, but it is being manipulated by the press and the GOP in manner which will make this entire year and the 1994 elections unduly difficult. We need to address the issue head on, and we need to find a vehicle which can resolve the public concern as soon as possible. If we do not find such a vehicle, then we will be forced to continue in a defensive mode issuing statements, trying disprove allegations directed against the activities of others without the records or the means of proof, and in general acting as a tackling dummy for the press and partisans in the opposition. The sense of the public is that we are trying to hide something, and that if we are innocent then simply take whatever steps an innocent party takes to prove innocence.

When the Special Prosecutor bill is passed, it will be signed by the President, and based upon both press speculation and political common sense, shortly thereafter the Attorney General will move to implement the Act in Whitewater. Based upon that assumption, we will probably be faced with the Special Prosecutor mechanism in early February. If a Special Prosecutor is named, then we will be facing at least a one year process before there can be a successful resolution of the President's innocence. Simply hiring staff, doing preliminary research, and working out a jurisdictional division of the Whitewater controversy from the Madison Grand Jury in Little Rock will require months of efforts. During the course of that year, the entire legislative program of the President will be in jeopardy. We will be faced with a monthly leak from the office of the special prosecutor, and three or four of repetition of the press background of Whitewater. The investigation will include the actions of the President, The First Lady, members of the White House staff, members of the President's former Arkansas state staff and cabinet, the President's campaign records for all the years he was Governor, the Rose Law Firm, and the actions of the Presidential campaign staff in its response to the early Whitewater accusations.

During that period of time, substantial attention will have to be paid to this matter by the President, the First Lady, the Senior Staff, and others; time that could be more effectively spent addressing the President's Agenda. And you may rest assured that just before every crucial vote in Committee and the

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floor of each house of Congress will be preceded by a leak and a series of stories in the media. In effect, the second year of this Administration will be consumed by Whitewater thereby affecting not only the 1994 elections but the 1996 elections as well.

I believe, therefore, that we should consider and discuss any and all options to the Special Prosecutor solution. I am certain that there are a number of options which we have been discussed, and thus may simply be restating the obvious in this memorandum. But I remain convinced that only a public airing of the issue can remove the controversy from maiming this year, and perhaps the third year as well.

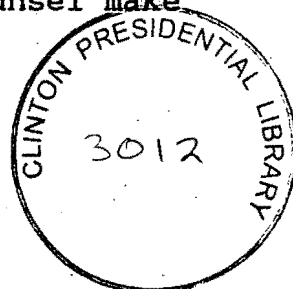
1. Request that the Attorney General under her regulation appoint a Special Counsel from the list submitted by Senator Dole, and ask that the Attorney General specifically direct the Special Counsel to investigate the actions and the knowledge of the President as it relates to the regulation of the savings and loan, the alleged diversion of funds from Madison to either the Whitewater Development Company or to the then Governor's 1984 campaign debt. The Attorney General could request that the report of the Special Counsel be prepared as expediently as possible given the strong national interest in having a President freed from these allegations. Since the Attorney General has indicated that she believes that a Special Counsel would not be truly independent since she selected the individual, the choice of a candidate proposed by Senator Dole would reassure the public that the Special Counsel would not be politically selected. In the event that a Special Counsel was designated, there would be no need to implement the provisions of whatever Special Prosecutor Act were passed until and unless the Special Counsel found "credible evidence" of the violation of a federal law by the President while he was Governor of Arkansas.

2. The President could request that a specific committee of the Congress hold hearings to address the press allegations and innuendos.

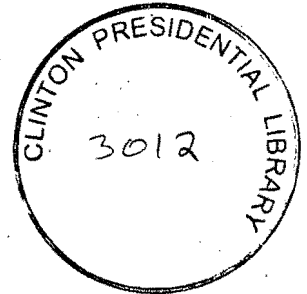
3. The Leadership the Congress in conjunction with the President could establish a select committee, identify a special counsel for the committee, request that the Counsel prepare a report in an expedient manner, and then move expediently to hold public hearings on the report.

4. The President could nominate one of the individuals listed on the Dole letter to the Attorney General as a Presidentially appointed "Special Counsel", provide the Special Counsel with all the materials turned over to the Department of Justice, and direct the Attorney General and the Department of Justice to make available to the Special Counsel all information from the RTC with respect to Madison, and direct that the Special Counsel make his report to the President and the Congress.

COPY



5. The President could direct the Attorney General to name an individual from the Dole list as Special Counsel and accompany the directive with a direction that the Special Counsel investigate the allegations that relates to the regulation of the savings and loan, the alleged diversion of funds from Madison to either the Whitewater Development Company or to the then Governor's 1984 campaign debt, and report the finding to the Attorney General and the American people by a date certain.



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# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. note	Handwritten notes; RE: Whitewater meeting (2 pages)	01/03/1993	P5 3013
002. paper	Specific Questions and Answers on Whitewater; RE: note [partial] (1 page)	n.d.	P5

### COLLECTION:

Clinton Presidential Records  
Press Secretary  
Dee Dee Myers  
OA/Box Number: 4486

### FOLDER TITLE:

Whitewater [1]

Debbie Bush  
2006-0320-F  
db2088

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

#### Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

# COPY

# Whitewater Meeting

1-3-93

Pat G.

Joel K.

Neel E.

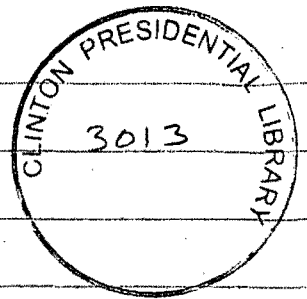
Cliff S.

James C.

Bruce L.

George S.

David H.



- Need strategy: What is the end game?

- Questions:

- Did Madison receive special treatment from RTC or state of Ark. as result of relationship w/ Clinton

- Did Clinton's partic. in McD scheme  
to re: checks

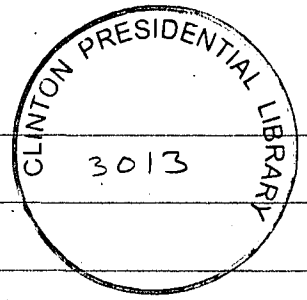
- Can we get referral letter from RTC  
9 or 11 points about Madison City - where?

## POLITICAL PLAY

- On issue of special prosecutor:

- need someone on Hill (Senate) to take  
Pole on re: previous statements about  
special prosecutors

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## Strategy

1. 750 words w/ outlines and answers  
main charges
2. ask Floyd Cutter to write a piece  
saying charges do not ~~mean~~  
in any way merit indep prosec.
3. Polit/Hill - attack Reps for  
bold-faced hypocrisy

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# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Mandy Grunwald to President Clinton; RE: One Year Anniversary with Larry King (2 pages)	01/18/1994	P5 3014

### COLLECTION:

Clinton Presidential Records  
Press Secretary  
Dee Dee Myers  
OA/Box Number: 4486

### FOLDER TITLE:

Whitewater [2]

Debbie Bush  
2006-0320-F  
db2089

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

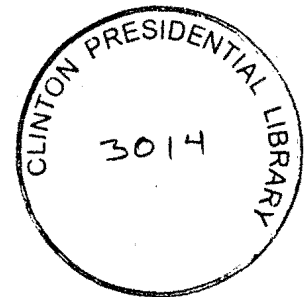
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

# COPY

## MEMORANDUM



TO President Clinton

FROM Mandy Grunwald

DATE January 18, 1994

RE One Year Anniversary with Larry King

---

1. You have not had an opportunity to speak directly with the American people in prime time since the NAFTA debate. Many of the things you have focused on and spoken about since then have only been communicated to the American people through the filter of the evening news or the morning papers. They have never heard you speak about crime or the breakdown of family and community; they have never heard your view of the year's accomplishments, and it has been since September that they heard your view, not your opponents', of what you're trying to do with health care.

This is a great opportunity to speak to all of those issues, but be careful not to start in the middle of the story or speak in legislative process terms. The American people don't know who Jim Cooper is or what's in the Senate versus the House version of the crime bill. They just know they could lose their coverage tomorrow or get shot on any street in any neighborhood, and they're wondering what you're doing about it.

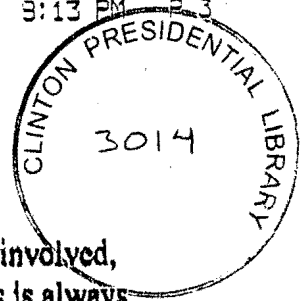
We discussed in the political meeting yesterday what points to emphasize on each of these issues, and we can discuss that further as you prep for the show. The rest of my comments are less about policy than about the kinds of non-policy questions you're likely to get from Larry King and his callers.

2. Remember that Larry King asks a lot of open ended questions: What was the worst moment of the year? What was the best? What are you proudest of? What surprised you most? You always have a choice with these kinds of questions to give a policy/process answer or a personal answer. I think this is a good forum to pick some moments to emphasize the personal.

\* For example, the "worst moment" could be the death of the troops in Somalia or the loss of the stimulus package, or it could be the deaths of your mother and Hillary's father.

\* The "hardest part of the year" could be dealing with the forces of the status quo, or you and Hillary helping Chelsea adjust to Washington and all that's happened to your family.

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Obviously, you don't want to go too far with this approach -- it can sound self-involved, and certainly conveying your focus on the American people and their struggles is always critical, but I thought the most compelling part of Koppel's series from your trip, was your description of the counterpoint between the personal and professional pressures of the moment. Giving people a window into you and your family is an important way of dealing with the character assaults you've been getting.

3. There are probably going to be a lot of pop culture questions. This is a weird time in this country. Tonya Harding and Nancy Kerrigan led the evening news the night you agreed to a special counsel on Whitewater. 30,000 people called in to A Current Affair's telephone poll on whether Harding should go to the Olympics. 78% said no. CNN ran the Bobbitt trial all day for several days last week. Court TV's ratings for the Menendez trial and the Bobbitt trial have been extraordinary. Michael Jackson. WACO. It's hard to tell the New York Times from the National Enquirer.

But as fascinated as people are by all of these tabloid stories, I don't think people know quite what to make of it all. I think it's important that you demonstrate familiarity with any of these stories you get asked about, but that you also give people some broader framework, some moral context to understand what's happening.

4. You are also likely to be asked about Whitewater and the troopers. Other people, I'm sure will have more specific advice. I think the most important question the American people have about Whitewater is not whether you're guilty of something, but why you seem to have something to hide. I think you need to explain your reticence -- to hand over papers, to ask for a special counsel etc. Body language and tone here, as with the trooper story, is almost more important than substance. In some ways, the most difficult moment in the trooper episode was your radio interview, where you appeared to be inarticulate and hesitant in answering the basic question. Therefore, clarity, calm and cutting to the real issues is what matters most.
5. In much of the country, the most compelling issue Thursday will be the weather and the force of nature. You'll obviously be able to talk about what you saw in California, but it's also important to talk about the cold wave, particularly the importance of neighbors looking out for senior citizens who are at special risk in this kind of weather, communities looking out for the homeless. I assume Hazel O'Leary and Henry Cisneros have provided you some kind of update about what the administration is doing.
6. Finally, I've never seen Larry King last an hour without asking about Ross Perot. Maybe it will come in a NAFTA question. Maybe a political one. Just be ready and don't pick a new fight.

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# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Myers, Gearan, Stephanopoulos to The President; RE: Tri-Lateral Press Conference (1 page)	07/26/1994	P5 3015
002. report	Ethics Contributions Report; RE: Home addresses (partial) (7 pages)	04/07/1988	P6/b(6)

### COLLECTION:

Clinton Presidential Records  
Press Secretary  
Dee Dee Myers  
OA/Box Number: 4487

### FOLDER TITLE:

Media File - Whitewater [2]

Debbie Bush  
2006-0320-F  
db951

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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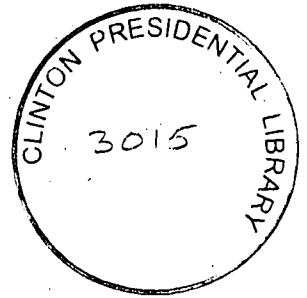
C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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MEMORANDUM FOR THE PRESIDENT

FROM: MYERS, GEARAN, STEPHANOPOULOS  
DATE: JULY 26, 1994  
RE: TODAY'S TRI-LATERAL PRESS CONFERENCE

As has been previously discussed, we all believe it would be beneficial to keep press conferences with foreign leaders more narrowly focussed. But rather than try to lay out ground rules - which the press will view as yet another attempt by the White House to control the news -- you should simply limit your answers on non-germane topics.

Today, you will certainly get questions from the Israeli and Jordanian press (and less likely, the American press) about Middle East issues. Of course, you will want to answer these. But the White House press corps will also want to ask you questions about a variety of other topics from Rwanda and Whitewater to health care and Haiti.

Because there is no real "news" on the Middle East today, the networks and newspapers will likely lead with either Rwanda or Whitewater. In order to give some energy to the Rwanda story, we recommend that (if possible) you announce that, at your request, Secretary Perry will travel to Rwanda at the end of the week. You should keep your answers on other foreign policy topics more limited.

In addition, we recommend that you limit your answers on domestic policy questions, especially Whitewater. Attached please find some questions and suggested brief answers.

COPY

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. draft	RE: First Lady Hillary Rodham Clinton Column (4 pages)	03/07/1996	P5 3016

### COLLECTION:

Clinton Presidential Records  
Speechwriting  
Lissa Muscatine  
OA/Box Number: 12073

### FOLDER TITLE:

Column - Whitewater #2 (RTC Report)

Debbie Bush  
2006-0320-F  
db2090

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

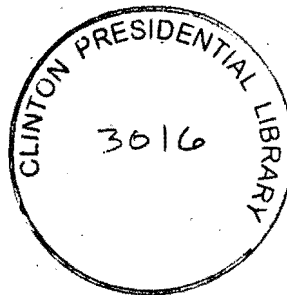
#### Freedom of Information Act - [5 U.S.C. 552(b)]

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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

COPY

draft #2

MP



I'd much rather write about issues that are really important to people.

Whitewater inquiry

FIRST LADY HILLARY RODHAM CLINTON  
COLUMN FOR PUBLICATION MARCH 7, 1996  
TALKING IT OVER/CREATORS SYNDICATE

Whitewater is hardly my favorite subject ~~to write about~~. But when the ~~investigation~~ reaches a critical turning point, as it did again last week, ~~the American public~~ <sup>-3</sup> ought to know.

Congress has now received the final installment of an independent investigation into Whitewater that spanned ~~only~~ <sup>more than</sup> two years and cost ~~the American~~ taxpayers \$4 million. The 164-page report undermines many of the central allegations raised in Senator D'Amato's Whitewater hearings. It also makes clear that, however popular Whitewater conspiracy theories may be in Washington, they have no basis in fact. <sup>independent</sup>

"The conspiracy theory is hopelessly flawed," the report concludes. <sup>✓</sup>

<sup>series of</sup> In arriving at their findings, investigators reviewed thousands of documents, including billing records that were discovered at the White House in early January. They combed through 49 boxes of records provided by the Rose Law Firm. They interviewed dozens of people. I answered extensive questions in writing, and also was interviewed in person in mid-February.

The President and I didn't ask for this inquiry, ~~but~~ we are

COPY

Although we have cooperated in every way. Now that the final results...

When all the facts are known, and all of the political attacks are pushed aside, the Whitewater allegations evaporate or other.

pleased that an exhaustive and impartial investigation -- one divorced from election year politics -- has once again supported what we have said all along: ~~there should be an independent investigation~~

Like the first <sup>independent</sup> Whitewater report I wrote about in January, this new one was prepared on behalf of the Federal Deposit Insurance Corporation (FDIC) by one of the nation's leading law firms, Pillsbury, Madison & Sutro, and was headed by a prominent Republican, former U.S. Attorney Jay Stephens.

While the first report explored the Whitewater land transaction -- and concluded that the President and I were passive investors who lost more than \$40,000 on the deal -- the final report focuses on the Rose Law Firm's representation of Madison Guaranty Savings & Loan.

I worked at the Rose Law firm for 15 years. Between April 1985 and July 1986 I did a minimal amount of legal work for Madison Guaranty, which had been acquired by our <sup>Whitewater</sup> partner, ~~in~~ James B. McDougal, some years after we had invested in the land <sup>site</sup> project. ~~There was no need to say anything about now~~

~~the report~~ independent report now <sup>LAYS</sup> those allegations to rest once and for all. The final

The report concludes that there was "no hint of fraud or intentional misconduct" in the way in which the Rose Law Firm was retained by Madison. It goes on to say: "The suggestion that the Madison Guaranty business was economically significant to the Clintons (or, for that matter, to the Rose Law Firm) finds no support."

→ Some political opponents have raised entirely unsubstantiated allegations about the law firm's work.

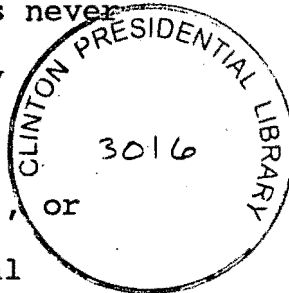
**COPY**

In fact, as the report shows, my retainer from Madison would have amounted to less than \$20 a month. And over two years the firm's fees totaled about \$21,000. ~~[NOTE: is this how we should say all of this?]~~

add quotes from report about how firm + lawyers could not have been bribed for 21K.

*Some* ~~Much~~ of the work the firm did for Madison involved a land development known at the time as IDC, but commonly referred to now as Castle Grande. ~~[NOTE: should we say something here about how a good chunk of HRC's time was spent on researching sewer lines, etc.]~~

One day about ten years ago, I spent two hours drafting an option agreement for a portion of that land. The option was never exercised. As the report states: "A trier of fact is highly unlikely to conclude that Mrs. Clinton either knew of any wrongful purpose connected to the option (if there was one), or had the intent to aid in the commission of that hypothetical wrong."



The report is also explicit in its response to allegations that important records relating to that land were destroyed at the Rose Law Firm, saying: The "files were discarded in 1988, long before Whitewater in any form became an issue. The discarding occurred in a seemingly innocent context, as part of a general effort to discard unneeded files."

These findings are sure to disappoint conspiracy theorists, who have made a sport over the past few years of tossing around unsubstantiated and insupportable charges of wrongdoing.

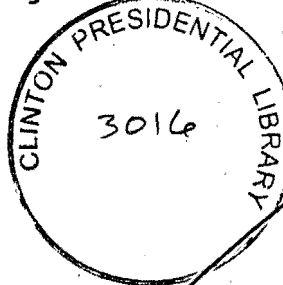
This week, as the Senate debates whether to indefinitely

-- and quite a good living

3  
COPY

U--  
extend the Whitewater hearings ~~which have already consumed xx~~  
~~days and \$ xx million~~, I hope that members will consider the  
conclusions of this independent and thorough inquiry -- even if  
it doesn't make good political theater or good election year  
politics.

###



spanned  
294 days  
and consumed  
more than 200  
hours of hearing  
time ~~over~~ over  
a million dollars

at a  
cost  
of

COPY

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Sabrina to Lissa; RE: HRC column feedback (3 pages)	01/16/1996	P5 3017
002. draft	RE: First Lady Hillary Rodham Clinton Column (4 pages)	01/16/1996	P5 3018
003. memo	Sabrina to Lissa; RE: HRC column feedback (3 pages)	01/16/1996	P5 dup of 3017
004. draft	RE: FirstLady Hillary Rodham Clinton Column (4 pages)	n.d.	P5 3019
005. draft	RE: FirstLady Hillary Rodham Clinton Column (3 pages)	n.d.	P5 3020
006. note	RE: Handwritten notes (1 page)	n.d.	P5 3021
007. memo	June to Lissa; RE: Column (2 pages)	01/12/1996	P5 3022

3

### COLLECTION:

Clinton Presidential Records  
Speechwriting  
Lissa Muscatine  
OA/Box Number: 12073

### FOLDER TITLE:

Column - RTC Report/Whitewater I, 01/21/96

Debbie Bush  
2006-0320-F  
db2091

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

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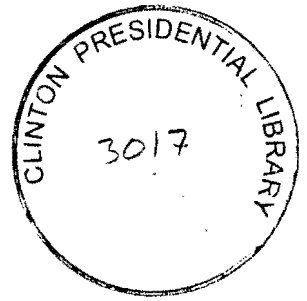
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COPY



MEMORANDUM



To: Lissa  
Fr: Sabrina  
Re: HRC column feedback  
Da: January 16, 1996

Dick Morris comments

p.4 first paragraph: Take out McCarthy reference -- it's going to make headlines and the fact is that while many agree it's politically motivated, most people do not think it's McCarthyism.

Towards the end, say that it's worth noting that D'Amato is head of the steering committee for Bob Dole's campaign, chair of RSCC -- suggests political motivations

Ann Lewis comments

Liked first draft better (the one over the weekend). It was more personal, aimed at the women who actually read the column. This one is too lawyerly.

p.1 first paragraph -- do not start with NY Times story -- most people only read the first line or two of a column -- we need to make OUR case in the first one or two sentences. To start with the NY Times reference elevates the wrong side of the story.

p.1 last paragraph, last sentence. "Nobody wants to end this controversy more than **we do.**"

p.2 fourth paragraph, first sentence: "Since most Americans never heard about **this report**"

p.3 fourth paragraph -- too rhetorical, not directed at women who read this column. Delete last sentence (starting "It seems that...")

p.4 Take out McCarthy paragraph

Maggie Williams comments

none yet

Jane Sherburne comments

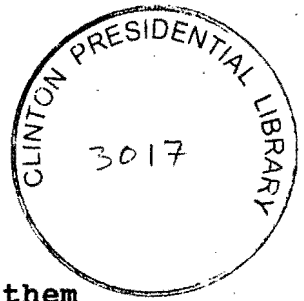
Take out McCarthy paragraph

Mark Fabiani comments

p.1 second paragraph, insert after first sentence: "Close to \$30 million in public funds have been spent on these inquiries."

COPY

Third sentence, insert a comma after "...50,000 pages of documents, and the President and I...." Last sentence: "...**independent** [not special] counsel...."



p.1 third paragraph: delete the whole thing

p.1 fourth paragraph: "...even though we continually **bat them down one after the other.**"

p.1 last paragraph, first sentence: "...that we will **continue to** answer questions and **make public key** documents...."

p.2 second paragraph, first sentence: "...called for an end to the **RTC's** Whitewater investigation [delete "portion of the"]

p.3 second paragraph, last line: "...**just** as I have **said** from the beginning."

p.3 third paragraph, first line: "**Despite these conclusive findings,** there was no press conference...."

p.4 second paragraph, first sentence: "What will happen next **during this presidential election year?**" Last line: "...questions about **these** events, **some of which** took place almost 20 years ago. **Americans will decide whether Washington should focus on these long-ago, thoroughly-examined events instead of dealing with the real problems our nation faces.**"

p.4 last paragraph, first sentence: delete "also".

Take out McCarthy paragraph

David Kendall comments (after consultation w/ Sherburne, David Fein and Fabiani)

p.1 paragraph 1: "during the **late 1970's.**"

p.1 paragraph 2, first sentence: "the "Whitewater matter has been investigated by **two** congressional committees...." Third sentence: "The White House and **our counsel have** turned"

p.1 paragraph 5, first sentence: "I want to assure the American public that we will **keep cooperating with all appropriate inquiries, as we have in the past.**"

p.2 paragraph 5, last sentence: strike the quotation marks around "little knowledge...project."

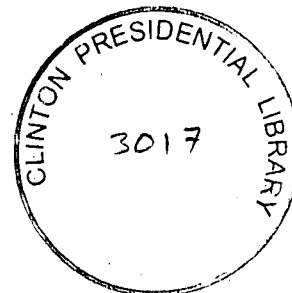
p.2 last paragraph, first sentence: "that we had no knowledge of **any** money flowing from Madison Guaranty Savings & Loan to Whitewater, and that we did not receive any **loans or dividends** from the savings and loan." [delete "that no money from Madison was channeled to the President's campaign]

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p.3 first paragraph, first sentence: "...the report found no evidence that I had any knowledge of any wrongdoing..."

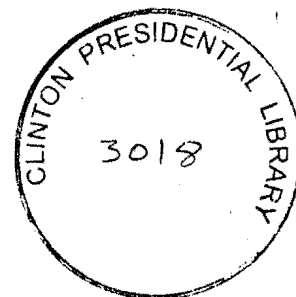
p.4 second paragraph, last line: "...questions about events that took place ten to twenty years ago."

p.4 last paragraph, second sentence: stylistic observation from Kendall, Fabiani, Sherburne, and Fein -- "...I am confident that they will..." seemed to them a bit distant, impersonal. Can we end on a more personal note?



COPY

draft #3



FIRST LADY HILLARY RODHAM CLINTON  
COLUMN FOR PUBLICATION JANUARY 21, 1996  
TALKING IT OVER/CREATORS SYNDICATE

Close to \$30 million in public funds have been spent on these inquiries.

In 1992, in the midst of the presidential campaign, the New York Times ran a story about a land transaction in Arkansas that my husband and I were involved in during the 1970s.

Now, four years later, the "Whitewater" matter has been investigated by three congressional committees, two independent counsels, the Resolution Trust Corporation and scores of reporters. There have been 45 days of hearings in the Senate and House. The White House has turned over 50,000 pages of documents, and the President and I have answered every question put before us. I personally have been interviewed by the Federal Deposit Insurance Company and the ~~special~~ <sup>independent</sup> counsel, and have answered questions in writing submitted by the ~~Resolution Trust Corporation~~ <sup>STET</sup> and Senator D'Amato's committee.

None of these exhaustive inquiries has turned up evidence that we did anything illegal, unethical or wrong.

Still, the questions keep coming. And so do the allegations and insinuations, even though we continually ~~prove them to be false~~ <sup>continue to</sup>

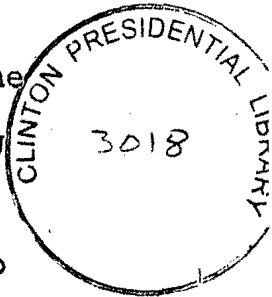
I want to ~~assure the American public that we will~~ <sup>make public key</sup> answer questions and ~~turn over~~ documents as long as we are asked to. Nobody wants to end this controversy more than I.

1

bat them down one after the other.

COPY

But it becomes increasingly difficult to do so when the facts are lost in a blizzard of controversy -- and shifting accusations. Let me give you an example of what I mean.



An independent inquiry, completed last month, found no evidence of wrong-doing on our part and called for an end to the <sup>RTCs</sup> Whitewater ~~portion of the~~ investigation. But weeks passed before congressional investigators were willing to release these findings to the public. They did so only after heavy pressure from Democratic members of the Senate committee. (V)

So much for a search for the truth.

Since most Americans never heard about the report, let me fill you in. It was conducted for the <sup>RTC</sup> ~~Resolution Trust Corporation~~ by one of the nation's leading law firms, Pillsbury, Madison & Sutro. It took more than two years to complete and cost nearly \$4 million. A prominent Republican, former U.S. Attorney Jay Stephens, headed the inquiry. (V)

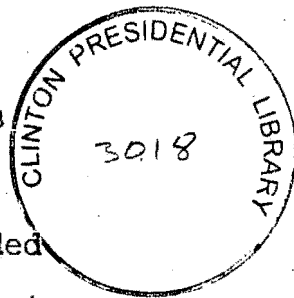
It concluded that the President and I were passive investors in a failed land transaction and lost more than \$40,000 on Whitewater, as we have said all along. It also concluded that we had "little knowledge and no control over the Whitewater project."

Further, it affirmed what we have said from day one: that we had no knowledge of money flowing from Madison Guaranty Savings & Loan to Whitewater; that no money from Madison was channeled to the President's campaign, and that we did not receive any money directly or indirectly from the savings and loan. (Madison

COPY

DAVID KENDALL SHOULD  
APPROVE THESE PARAGRAPHS

Guaranty was acquired by our partner in Whitewater, James B McDougal, some years after we invested in the project).



As for matters relating to Madison, the report concluded that I had no knowledge of wrongdoing on the part of the savings and loan while I was at the Rose Law Firm.

Billing records located after the report was completed confirm that I did minimal legal work on Madison -- an average of about one hour a week over 15 months -- JUST as I have SAID ~~stated~~ from the beginning.

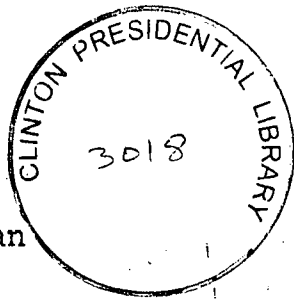
*Despite these conclusive findings,*  
There was no press conference, no announcement, no effort by congressional investigators to reveal the findings when this detailed and impartial report was finally completed last month. As one Democratic member of the committee put it, "The committee makes much ado about supposed failures of the White House to turn over documents, while it refuses to release voluminous documents that strongly buttress the Clintons' statements about Whitewater."

He went on to caution that in recent weeks the Whitewater investigation had deteriorated into a series of unsubstantiated and outrageous accusations on matters that in some cases have yet to be the subject of testimony. It seems that, with all of the serious questions answered long ago, investigators now feel free to make allegations completely unsupported by fact, while feeling no burden to prove whether they are true.

With each new round of allegations, we have responded with documents and facts. And each time we do, more questions are

COPY

KENDALL  
SHOULD  
APPROVE



conjured up, shifting the ground once again.

The pattern has become so predictable that one veteran columnist even went so far as to say that the Whitewater controversy has borrowed a page or two from Joe McCarthy, the Republican senator from Wisconsin who led a congressional witch-hunt in the 1950s in which many innocent Americans were falsely accused of having ties to the Communist party: "Promise horrors and prove nothing."

What will happen next? I don't know what to expect. But I do know that we will continue to cooperate and give answers to THESE / 1) SOME OF WHICH questions about ~~events~~ ~~that~~ took place almost 20 years ago.

I ~~also~~ know that the American people are fundamentally fair. And in the end, I am confident that they will be able to separate fact from fiction, and to tell the difference between truth and scandal-mongering.

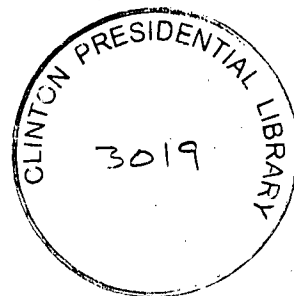
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during this  
presidential  
election year

Americans will  
decide whether  
Washington should  
focus on ~~these~~ <sup>these</sup>  
long-ago, ~~thoroughly~~  
examined events ~~and~~  
~~on~~ instead of dealing  
with the real  
problems our  
nation faces

COPY

draft #2



FIRST LADY HILLARY RODHAM CLINTON  
COLUMN FOR PUBLICATION JANUARY 21, 1996  
TALKING IT OVER/CREATORS SYNDICATE

In 1992, in the midst of the presidential campaign, the New York Times ran a story about a land transaction in Arkansas that my husband and I were involved in during the 1970s.

Now, four years later, the "Whitewater" matter has been investigated by three congressional committees, two independent counsels, the Resolution Trust Corporation and scores of reporters. There have been 45 days of hearings in the Senate and House. The White House has turned over 50,000 pages of documents and the President and I have answered every question put before us. I personally have been interviewed by the Federal Deposit Insurance Company, the <sup>Special Counsel</sup> ~~FTC~~, and have answered questions in <sup>the RTC and</sup> writing submitted by Senator D'Amato's committee.

None of these exhaustive inquiries has turned up evidence that we did anything illegal, unethical or wrong.

Still, the questions keep coming. And so do the allegations and insinuations, even though we continually prove them to be false.

I want to assure the American public that we will answer questions and turn over documents as long as we are asked to. Nobody wants to end this controversy more than I.

But it becomes increasingly difficult when <sup>to do so</sup> ~~congressional~~

COPY



~~the facts are~~ lost in a blizzard of controversy - and  
gossip - accusations. Let me give you one example of what  
committees purposely stall in sharing with the American people  
the full findings of their investigations.

An independent inquiry into Whitewater, completed last  
month, for example, found no evidence of wrong-doing on our part  
and called for an end to the Whitewater investigation. But weeks  
passed before congressional investigators were willing to release  
these findings to the press. They only did so after heavy  
pressure from Democratic members of the Senate committee.

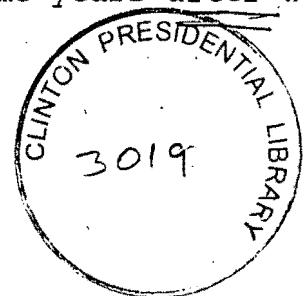
So much for a search for the truth.

Since most Americans have never heard about the report, let  
me fill you in. It was conducted for the RTC by one of the  
nation's leading law firms, Pillsbury, Madison & Sutro. It took  
more than two years to complete and cost \$4 million. A prominent  
Republican, former U.S. Attorney Jay Stephens, headed the  
inquiry.

It concluded that the President and I were passive investors  
who lost more than \$40,000 on Whitewater, as we have said all  
along. It also said that we had "little knowledge and no control  
over the Whitewater project."

Further, it affirmed what we have said from day one: that we  
had no knowledge of money flowing from Madison Guaranty Savings &  
Loan to Whitewater; that no money from Madison was channeled to  
the President's campaign, and that no funds from Madison were  
used to benefit us in any way. (Madison Guaranty was acquired by  
our partner in Whitewater, James B. McDougal, some years after we  
invested in the project).

COPY



passive investors in a failed  
real estate venture and lost  
\$40,000. It also found we  
had not received -  
\$100,000 in indirectly  
money from the Madison Guaranty

As for matters relating to Madison, the report concluded that I had no knowledge of wrongdoing on the part of the thrif while I was at the Rose Law Firm.

Billing records located after the report was completed confirm that I did minimal legal work on Madison -- an average of about one hour a week over 15 months -- as I have stated from the beginning.

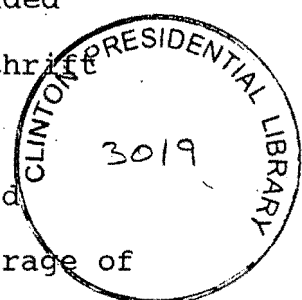
There was no press conference, no announcement, no public declaration by congressional investigators when the detailed and impartial report was finally completed last month. In fact, it was finally made public a few days ago after Senator Christopher Dodd had told his fellow panel members, "The committee makes much ado about supposed failures of the White House to turn over documents, while it refuses to release voluminous documents that strongly buttress the Clintons' statements about Whitewater."

Dodd also cautioned that in recent weeks the Whitewater investigation had deteriorated into a series of unsubstantiated and "outrageous" accusations on matters that in some cases have yet to be the subject of testimony.

Echoing these sentiments, one veteran columnist even went so far as to say that the Whitewater controversy has borrowed a page or two from Joe McCarthy; "Promise horrors and prove nothing."

With each new round of allegations, we have responded with documents and facts. And each time we do, more questions are conjured up, shifting the ground once again.

What will happen next? I don't know what to expect. I only



**COPY**

Who is the

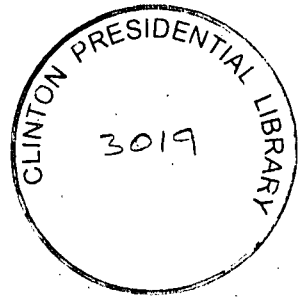
as a Republic  
Search for

Not falsified  
a witness

Not falsified  
served my interest  
business & politics  
Communist

wish I could say that we had seen the worst.

###



will continue to cooperate  
In the end I have  
confidence in the  
fundamental fairness of the American  
people to  
give Major  
for

Process 7 -

role; cause  
serious 7-8 answered in  
line go

Now we reduced

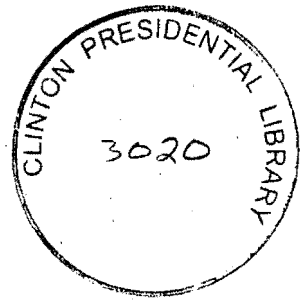
to  
free to make any accusation  
unsupported by fact  
and her name to use  
Name feel any burden  
to prove as to  
charges.

Taxpayers are  
paid for Mrs.

Original Melicare -

COPY

draft #1



**FIRST LADY HILLARY RODHAM CLINTON  
COLUMN FOR PUBLICATION JANUARY 21, 1996  
TALKING IT OVER/CREATORS SYNDICATE**

In 1992, in the midst of the presidential campaign, the New York Times ran a story about a land transaction in Arkansas that my husband and I were involved in during the 1970s.

Now, four years later, the "Whitewater" matter has been investigated by three congressional committees, two independent counsels, the Resolution Trust Corporation and scores of reporters. There have been 45 days of hearings in the Senate and House. The White House has turned over 50,000 pages of documents and the President and I have answered every question put before us. I personally have been interviewed by the Federal Deposit Insurance Company, the RTC, and I have answered questions in writing submitted by Senator D'Amato's committee.

None of these exhaustive inquiries has turned up evidence that we did anything illegal, unethical or wrong.

Still, the questions keep coming. And so do the allegations and insinuations, even though we continually prove them to be false.

I want to assure the American public that we will answer questions and turn over documents as long as we are asked to. Nobody wants to end this controversy more than I do.

But it becomes increasingly difficult when congressional

**COPY**

committees will not share with the American people the complete findings of their investigations.

Last month, for example, ~~an independent~~ <sup>the APTC's</sup> inquiry into the Whitewater matter <sup>found no evidence</sup> ~~exonerated us~~ of any wrongdoing. <sup>and called for us to come to an end.</sup> But ~~as of this~~ <sup>How many for weeks,</sup> writing, congressional investigators ~~have~~ refused to release it to the press.

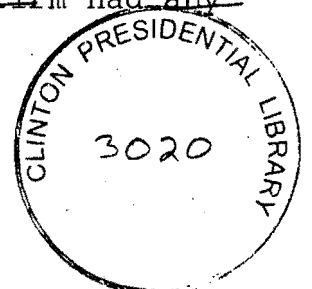
So much for a search for the truth.

The inquiry was conducted for the RTC by one of the nation's leading law firms, Pillsbury, Madison & Sutro. It took more than two years to complete and cost \$4 million. <sup>Jay Stephens, a former Republican</sup> [describe Stephens] <sup>or why, he led in this inquiry</sup> inquiry was a Republican, former U.S. Attorney Jay Stephens.

It concluded that the President and I were passive investors who lost more than \$40,000 on Whitewater, as we have said all along. It also said that we had "little knowledge and no control over the Whitewater project."

Further, it affirmed our statements from day one: that we had no knowledge of money flowing from Madison Guaranty Savings & Loan to Whitewater. (For those drowning in the minutiae of Whitewater, our partner in that project was a developer named James B. McDougal, <sup>who later</sup> ~~As the report notes, Mr. McDougal acquired an interest in the savings and loan four years after we invested in Whitewater.~~ By then, more than half of the Whitewater acreage had been sold). <sup>No guilt pro quo</sup>

As for my work for the Rose Law ~~Firm~~ on matters relating to Madison, the report concluded that ~~neither I nor the firm had any~~



no  
knowledge of wrongdoing on the part of the thrift.

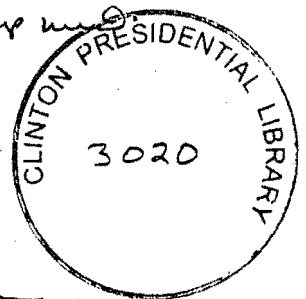
This detailed and impartial report was released last month. So far it has garnered virtually no attention in the press. Why? Because those responsible for the Whitewater investigations have been unwilling to make it available to reporters until recently.

As Senator Christopher Dodd told his fellow panel members earlier this month, "The committee makes much ado about supposed failures of the White House to turn over documents, while it refuses to release voluminous documents that strongly buttress the Clintons' statements about Whitewater."

He also noted that in recent weeks the investigation had deteriorated into a series of unsubstantiated and "outrageous" accusations on matters that in some cases have yet to be the subject of testimony.

With each new round of allegations, we have responded with documents and facts. And each time we do, more questions are conjured up, shifting the ground once again.

Reploring - old ground & hopes of truly exposing  
called up witnesses  
re-called



→ Also May went to be campaign for  
Madison, which was  
data bailed  
out by

May went to Whitewater

~~that we were liable because equal~~  
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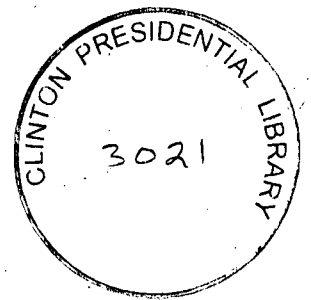
3

~~State court commission served as~~  
**COPY**

Mad.  
Funds legally  
used to reimburse  
us & some  
All of that has been  
disproven.

Primer

(1)



Not ask me  
APL questions that were raised  
Should do a whole abt RTR  
I've been RTR report

As I this col. not released  
Sen Dodd has read by parts  
of it into the record

get up  
assume then public will answer all  
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changing

a little hard when it takes

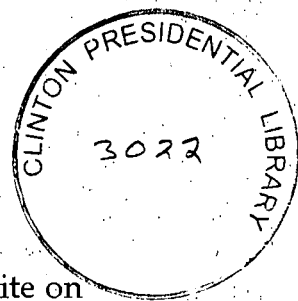
if really 19 years to prove what we  
said

~~a search~~  
~~re to~~  
~~death~~

**COPY**

a search for truth, why would it this  
report have been released?

CLINTON LIBRARY PHOTOCOPY



To: Lissa  
Fr: June  
Re: Column.

I didn't find any letters to editor on the New York Times Online site on aol. I did browse through their message boards on Whitewater, but found mostly partisan crap. "she's liar. she's going to jail. are they going to carry her out in leg irons..." etc.

Found one pro-hillary posting re the "congenital liar" column: "William Safire's comments on Hillary Clinton yesterday disgusted and alienated me. I used to be a devoted New York Times reader, but your handling of Whitewater and Hillary Clinton has been so poor that you have lost my respect...I am really beginning to feel that this is a witch hunt which has gone on for far too long. If Hillary Clinton's thoughts on children are going to get buried by comments like D'Amato's, I going to have to return to political activism. Children interest me. Children are important. The New York Times is beginning to feel like corrupt and back room politics to me. Sorry we aren't on the same side any more in our view of truth and honest journalism. To me you are heading towards becoming the rag sheet of a dawning McCarthy era."

#### **Eleanor Roosevelt to the Rescue: Some Quotes for Column**

The quotes are a little defensive, but maybe HRC could get into them by saying how she likes to turn to her First Lady predecessors for inspiration, for comfort, for wisdom, and to find out how they got through tough times, criticism...

ER in response to the barrage of criticism about her outspokenness: "Because I make speeches, I am more in the press, I'm not dignified, I do something that isn't the proper thing to do....I realize perfectly the critics have a right to their opinion and am sorry I offend them. But if I didn't do what I think is the right thing to do, I wouldn't be satisfied with myself. Everyone must live their own life their own way and not according to anybody else's ideas." *The White House Press Conferences of Eleanor Roosevelt*, ed. Maurine Beasley.

Also from ER, "Nothing can bring you peace but yourself, nothing can bring you peace but the triumph of principles."

I found this from Doris Kearns Goodwin's book, quoting from the NYT in 1940: "If I could be worried about mud-slinging, I would have been dead long ago."

Also, Eleanor wrote a column shortly after she was forced to resign from the Office of Civil Defense. A copy of it is in my file at work. But the gist of it was her realization that she could not hold any public office because

# COPY



she was the President's wife. She ended by hoping that someday the public could be ready for such a situation...

A cool poem by Alice Walker:

"Mississippi Winter IV"

My father and mother both  
used to warn me  
that "a whistling woman and a crowing  
hen would surely come to  
no good end." And perhaps I should  
have listened to them.  
But even at the time I knew  
that though my end probably might  
not  
be good  
I must whistle  
like a woman undaunted  
until I reached it.

---

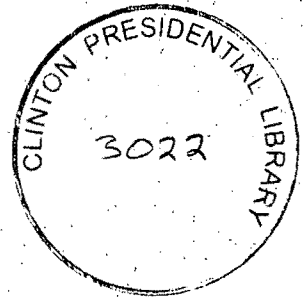
### Some Random Thoughts

I don't know how you're going to approach this column, but I think it's important for her to acknowledge that she and Bill knew that they would be subject to much criticism and public scrutiny when he decided to run for public office....(p.7 of Newsweek transcript: "My husband chose to be in public life, and although I wish it weren't quite as brutal as it has become in recent years, that's a choice I support. So to a great extent, we are here by our own choosing. But that's not true of many of our friends and colleagues and family members -- people who get thrust into this situation and harassed. And that does make me feel badly because I don't think it's fair. But it's something you can't spend a lot of time worrying about or being consumed by because there's too much to do. And certainly the President gets up every day thinking about what he's going to do for the country, and so do I.)"

but what has become of politics, of civility in these last few decades? Why are some politicians more committed to tearing down reputations than building and strengthening families? Why \$30 million of taxpayer funds and countless hours on this and not on Medicare/Medicaid hearings.....what happened to substance?

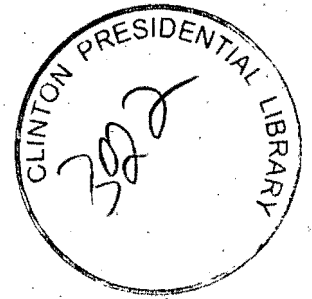
Is there any way to make this point humbly, without being preachy or self pitying?

Good Luck. Hope this is of some help. Let me know if I can do anything....



COPY

MEMORANDUM



TO: HRC  
FROM: Lissa Muscatine *LM*  
RE: Column  
DATE: Jan. 14

---

Here is a draft of the column that we discussed a few days ago. Creators said that, given the topic and the interest in it, you could have as much space as you wanted (up to 2,000 words). It's now about 1,200. Also, they want to make it available to non-subscribers as well as subscribers.

I asked Ann L. and Maggie to read this version just to make sure they were okay with what we're trying to do. Both have signed off on this.

We'll have to have Jane look at the final version.

COPY

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Ralph Sihler to Gary Bresnahan; RE: Telephone numbers and Subpoena (2 pages)	11/22/1995	P5 3023
002. email	Alan Kreczko to James Baker; RE: Telephone numbers nad Subpoena (2 pages)	11/24/1995	P5 3024

### COLLECTION:

Clinton Presidential Records  
NSC Emails  
(MSMail-Record (Sept 94-Sept 97))  
OA/Box Number: 590000

### FOLDER TITLE:

[10/26/1995 - 01/22/1996]

Debbie Bush  
2006-0320-F  
db2092

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

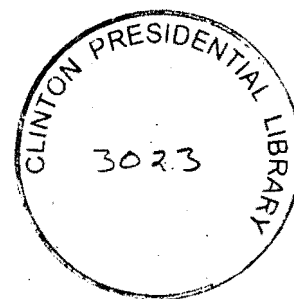
#### Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

COPY

## M S M a i l

DATE-TIME 22 November 95 19:19  
FROM Sigler, Ralph  
CLASSIFICATION UNCLASSIFIED  
SUBJECT FW: Telephone Numbers and Subpoena [UNCLASSIFIED]  
TO Bresnahan, Gary E.  
CARBON\_COPY NO CC's on THIS MESSAGE  
TEXT\_BODY



Gary -- FYI

From: Baker, James E.  
To: Bass, Peter E.; Beers, Rand R; Dohse, Fred J.; Harmon, Joyce A.; Sens, Andrew D.; Sigler, Ralph H.  
CC: /R, Record at A1; Kreczko, Alan J.  
Subject: RE: Telephone Numbers and Subpoena [UNCLASSIFIED]  
Date: Wednesday, November 22, 1995 06:38 PM

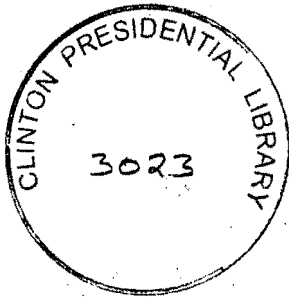
Situation Report: Stand Down for Now

I have conferred further with White House Counsel's Office. The request came in the form of a subpoena from Senate Whitewater Committee to Sprint for all telephone records from the White House during the May-November 1993 time frame. The response date is NLT November 29. Counsel's office does not believe that ATT has received a similar subpoena, but will confirm. (Note: NSC domestic calls are carried on Sprint, international calls are carried by ATT.)

In any event, the Democratic side of the Committee agreed that the request was overbroad and has persuaded the majority to write a letter to Sprint narrowing the scope of the subpoena to the 501 area code alone. This should alleviate any national security concerns NSC staff might have. However, Counsel's office will alert us if this arrangement does not hold up. In addition to international calls, I have expressed concern over domestic calls to the extent they reflect communications to UN diplomats or embassies that are intended to be confidential.

From: Sens, Andrew D.  
To: Baker, James E.; Bass, Peter E.; Beers, Rand R; Dohse, Fred J.; Harmon, Joyce A.; Sigler, Ralph H.  
CC: /R, Record at A1; Kreczko, Alan J.  
Subject: RE: Telephone Numbers and Subpoena [UNCLASSIFIED]  
Date: Wednesday, November 22, 1995 02:51 PM

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I strongly object to revealing the numbers we call. In addition to the points you make, the numbers called would reveal frequency, e.g. we talk to Major a lot, Murayama not a lot, etc. Not a good idea. We should review carefully before we proceed.

From: Baker, James E.

To: Bass, Peter E.; Beers, Rand R; Dohse, Fred J.; Harmon, Joyce A.; Sens, Andrew D.; Sigler, Ralph H.

CC: /R, Record at A1; Kreczko, Alan J.

Subject: Telephone Numbers and Subpoena [UNCLASSIFIED]

Date: Wednesday, November 22, 1995 02:28 PM

White House Counsel's Office has in hand a subpoena for EOP telephone records during the period May 1, 1993-November 30, 1993. The responsive documents would reveal the numbers called from the White House, but would not reveal the specific telephone number from which the call was placed at the White House. Jack Quinn has asked for our quick assessment as to whether this would present privilege issues for the NSC.

I can think of at least three possible issues:

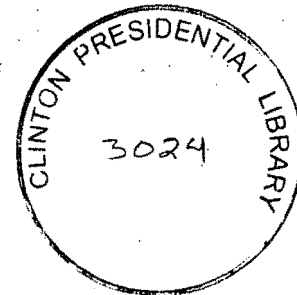
1. The records could indicate which foreign countries have been called by the White House suggesting, if not explicitly revealing, who the President and National Security Adviser are speaking with.
2. The records may reveal private line information used to contact foreign heads of state and ministers, see e.g., Queen Elizabeth's experience.
3. Intelligence Programs may utilize numbers that should not be publicly associated with the USG. (?)

Could you please advise soonest, whether the matters identified above, or any others, raise sufficient concern in practice such that we should review any responsive documents before Counsel's office responds to the subpoena. I believe Counsel's office is operating on a today deadline; depending on our response, they may need to seek an extension. Thank you.

COPY

## MS Mail

DATE-TIME 24 November 95 09:59  
FROM Kreczko, Alan J.  
CLASSIFICATION UNCLASSIFIED  
SUBJECT RE: Telephone Numbers and Subpoena [UNCLASSIFIED]  
TO Baker, James E.  
CARBON\_COPY Sens, Andrew D.  
TEXT\_BODY



Jamie,

I spoke with OA on Friday. While issue of subpoena may be behind us, revelation that ATT keeps phone lists raises a broader question which we should address. OA notes that they have an agreement (or at least think they have an agreement) that Sprint does not maintain a record of outgoing WH calls, except by area code and first three digits of phone called. They raise the question of whether we should seek the same understanding with ATT, which does our international calls and, apparently, also does domestic calls through WHACA. OA suggests a meeting to discuss this next week sometime.

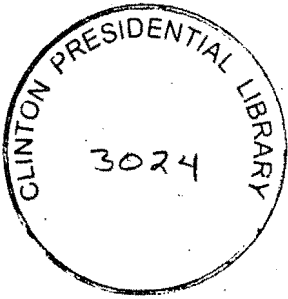
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To: Bass, Peter E.; Beers, Rand R; Dohse, Fred J.; Harmon, Joyce A.; Sens, Andrew D.; Sigler, Ralph H.  
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